LGT CAPITAL PARTNERS

lgtcp.com

LGT Funds SICAV - Prospectus

Investment Conditions including Sub-Fund Supplements

An investment company with variable capital established under the laws of Liechtenstein as an undertaking for collective investment in transferable securities.

03 August 2026

Important information

The purchase of Units is effected on the basis of the Articles of Association, the Investment Conditions including Supplements (referred to collectively as the "**Constituent Documents**"), the KID as well as the latest annual report. Only the information contained in the Constituent Documents and its appendices is authoritative. By acquiring Units in any Sub-Fund, an investor is deemed to have read, understood and approved such information.

These Constituent Documents describe LGT Funds SICAV (the "**UCITS**") and provide general information about the UCITS. The UCITS is structured as an umbrella fund that may comprise one or several Sub-Funds, with each Sub-Fund comprising a separate portfolio of assets. Each Sub-Fund comprises one or more Classes.

The legal relationship between the Unitholders, the UCITS and the Management Company is governed by the Constituent Documents. To the extent that these do not contain rules governing a particular subject matter, the legal relationship between the Unitholders and the UCITS is governed by the UCITS Act, the UCITS Ordinance and, to the extent that these contain no applicable provisions, by the provisions of the Liechtenstein Persons and Companies Act (Personen- und Gesellschaftsrecht, "**PGR**"). It should be noted that the above legislation and regulations may from time to time be amended and/or supplemented or replaced.

The Investment Conditions including Supplements form an integral unit.

The issuance and redemption of the Units in each Sub-Fund will be effected based on and in accordance with the terms of the Constituent Documents, as at the date such issuance or redemption instructions are received by the UCITS or its delegates or agents.

Information and representations that deviate from or contradict the Constituent Documents or the relevant KID are not authoritative and the UCITS and the Management Company shall accept no liability whatsoever for such information and representations made by any third parties including distributors of the Sub-Funds.

The Investment Conditions including Supplements may be amended or supplemented by the Management Company, in full or in part, at any time. Material amendments to the Investment Conditions including Supplements require prior approval of the FMA to become effective and must not be implemented before such approval is granted.

Reliance on Constituent Documents and Suitability

Only the information contained in the Constituent Documents is authoritative. Before investing in a Sub-Fund, each prospective investor should read the Constituent Documents and should understand the risks, costs and terms of investment in that Sub-Fund. In particular, investors should read and consider the section entitled Risk Factors before investing in the UCITS. By acquiring Units in any Sub-Fund, an investor is deemed to have read, understood and approved such information.

Investors should inform themselves about (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Units.

The value of and income from Units in the UCITS may go up or down and investors may not get back the amount they have invested in the UCITS.

An investment in the Units is only suitable for investors if they (either alone or with the help of an appropriate financial or other advisor) can assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment.

Neither the UCITS, the Management Company nor any Investment Manager appointed shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Sub-Fund's investments.

Selling Restrictions

The distribution of these Investment Conditions and the offering of Units in certain jurisdictions may be restricted. These Investment Conditions do not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized or may not be lawful. It is the responsibility of any person in possession of these Investment Conditions and of any person wishing to apply for Units to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Units are registered for distribution only in Liechtenstein and the countries listed in Appendix 2 (if any), as may be updated from time to time.

If Units are issued or redeemed in any country other than Liechtenstein, the relevant regulatory and tax provisions of such country may apply. As a general rule, the Units may not be offered in jurisdictions or to persons in which or to whom it is unlawful to make such an offer. The distribution of the Constituent Documents and/or marketing material, including newsletters and presentations, as well as the offering of Units may be restricted in certain jurisdictions.

No person or entity receiving a copy of the Constituent Documents and/or marketing material may treat this as constituting an offer to him/her/it, unless in the relevant territory such an offer could lawfully be made to him/her/it without compliance with any registration or other legal requirements.

The UCITS or the Management Company may restrict the ownership of Units by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the UCITS. Any person who by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the UCITS or the Management Company, cause the UCITS or the Unitholders as a whole or any Sub-Fund to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the UCITS or the Management Company believe might be prejudicial to the interests of the Unitholders, shall indemnify the UCITS, the Management Company, the Investment Manager, the Depositary, the Administrator and Unitholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Units in the UCITS.

The UCITS or the Management Company have the power to compulsorily redeem and/or cancel any Units held or beneficially owned in contravention of the restrictions imposed by them as described in these Investment Conditions including Supplements.

Unitholders shall be entitled to redeem their Units, subject to compliance with the provisions contained in the Constituent Documents (for example, complying with the relevant redemption days and notice periods).

The main legal implications of the contractual relationship which an investor would enter into by purchasing Units in a Sub-Fund are as follows:

- By an investor's request to subscribe for Units which, once such request is accepted by the Management Company on behalf of the relevant Sub-Fund, takes effect as a binding contract.
- Upon the issuance of Units, an investor becomes a Unitholder, and the Constituent Documents take effect as a statutory contract between the Unitholder and the UCITS.
- The Constituent Documents are governed by, and construed in accordance with, the laws in force in Liechtenstein (as may be amended from time to time).
- The rights and restrictions that apply to Units may be modified and/or additional terms agreed from time to time in respect of a particular Class (subject to such terms being consistent with the Constituent Documents).
- The aggregate liability of each Unitholder towards the UCITS is generally limited to the amount, if any, unpaid on the Units held by the Unitholder. Claims based on violation of the terms of the Constituent Documents on the part of the Unitholder shall be reserved.
- Although Liechtenstein law does not generally provide for enforcement in Liechtenstein of judgments obtained in a foreign jurisdiction, a judgment obtained in a foreign jurisdiction may be recognized and enforced in the courts of Liechtenstein, if certain conditions are met and subject to the applicable procedures, in particular based on treaties entered into by Liechtenstein.

United States of America

Units of the UCITS must not be offered, sold or otherwise made available in the United States (as defined below).

The Units have not been and will not be registered under the U. S. Securities Act of 1933, as amended, or the securities laws of any state or political subdivision of the United States and may not, except in a transaction which does not violate U.S. securities laws and unless otherwise stated in a Supplement, be directly or indirectly offered or sold in the United States or to any U.S. Person. The UCITS is not and will not be registered under the United States Investment Company Act of 1940 as amended.

By accepting a copy of the Constituent Documents, the recipient agrees not to send to, or distribute any offering material with respect to the Units in the United States or to any U.S. person. Units acquired hereby may not be offered or sold or transferred in the United States or to U.S. persons. The UCITS is not registered, and does not intend to register, as an investment company as defined by the Investment Company Act.

The Units are not directly or indirectly offered or sold to individuals or entities who are "employee benefit plans" or "benefit plan investors" pursuant to ERISA and all applicable regulations thereunder, or plans, individual retirement accounts or other arrangements that are subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended. The Units are not directly or indirectly offered or sold to individuals or entities who will purchase Units with funds that are "plan assets" under ERISA.

The Units are not directly or indirectly offered or sold to individuals or entities who are listed on the United States Department of Treasury's Office of Foreign Assets Control (OFAC) website; affiliated with, any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs.

The Units are not offered or sold to individuals or entities who are senior political figures or immediate family members of or closely associated with a senior political figure (as those terms are used in the USA Patriot Act 2001). The Units are not offered or sold to individuals or entities who are foreign shell banks (as that term is defined in the USA Patriot Act 2001) or individuals or entities who transact with foreign shell banks (as that term is used in the USA Patriot Act 2001).

Furthermore, the Units may not be offered, sold or delivered to citizens or residents of the USA and/or to other individuals or legal persons whose income and/or earnings are subject to US income tax irrespective of their source, financial institutions who do not subject themselves to the provisions of FATCA, in particular sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement with the United States of America relating to the cooperation to facilitate the implementation of FATCA, in each case to the extent applicable and who do not register with the US tax authorities as a FATCA-participating institution where required, and to persons who are deemed to be US persons in accordance with Regulation S of the Securities Act and/or the US Commodity Exchange Act, as amended. Hence, the following investors in particular are not permitted to purchase Units (the list is not exhaustive):

- US citizens, including dual citizens;
- persons living or domiciled in the USA;
- persons resident in the USA (Green Card holders) and/or whose primary residence is in the USA;
- companies, trusts or estates, etc. resident in the USA;
- companies qualifying as transparent for US tax purposes whose investors are persons listed in this paragraph and companies whose earnings, on a consolidated basis, are attributed, for US tax purposes, to an investor listed in this paragraph;
- financial institutions which are not subject to the provisions of FATCA, particularly sections 1471 - 1474 of the US Internal Revenue Code and any agreement with the United States of America relating to the cooperation to facilitate the implementation of FATCA, as applicable and do not, where required, register with the US tax authorities as a FATCA institution; or
- US persons as defined in Regulation S of the Securities Act as amended from time to time.

The distribution of these Constituent Documents and the offering of Units of the UCITS may also be subject to restrictions in other jurisdictions.

Translations

The Investment Conditions may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail.

Redemption Fee/Subscription Fee

A Redemption Fee may be charged by the Management Company. The amount of Redemption Fee (if any) will be set out in the relevant Supplement.

A Subscription Fee may be charged by the Management Company. The amount of Subscription Fee (if any) will be set out in the relevant Supplement.

Definitions

Defined terms used in the Constituent Documents shall have the meanings attributed to them in the Definitions section below or as set out in the Constituent Documents, as applicable. All references in the Constituent Documents to the singular shall include the plural where applicable or vice versa, and all references to gender shall include all genders.

Directory

UCITS:	LGT Funds SICAV Herrengasse 12 9490 Vaduz, Liechtenstein
Board of Directors:	Andrea Wenaweser, Deputy Head of Tax/Products, LGT Group Holding Ltd., Vaduz, President Pierre-André Wirth, Head Legal & Compliance, LGT Capital Partners (FL) Ltd., Vaduz, Director Dr. Konrad Bächinger, Director Thomas Weber, Director
Depositary	LGT Bank Ltd. Herrengasse 12 9490 Vaduz, Liechtenstein
Management Company:	LGT Capital Partners (FL) Ltd. Herrengasse 12 9490 Vaduz, Liechtenstein
Management Company board of directors:	Dr. Magnus Pirovino, President Werner von Baum, Chief Risk Officer, LGT Capital Partners Ltd., Pfäffikon, Vice President Andrea Wenaweser, Deputy Head of Tax/Products, LGT Group Holding Ltd., Vaduz , Director
Management Company executive board:	Alois Wille, General Manager, LGT Capital Partners (FL) Ltd., Vaduz Lars Inderwildi, Head Operations, LGT Capital Partners (FL) Ltd., Vaduz Pierre-André Wirth, Head Legal & Compliance, LGT Capital Partners (FL) Ltd., Vaduz
Investment Managers:	LGT Capital Partners Ltd. Schützenstrasse 6 8808 Pfäffikon, Switzerland For the sub-funds: LGT Sustainable Money Market Fund (CHF) LGT Sustainable Money Market Fund (EUR) LGT Money Market Fund (USD) LGT Bond Fund Global Inflation Linked LGT EM LC Bond Fund LGT Sustainable Bond Fund Global LGT Sustainable Bond Fund Global Hedged LGT Sustainable Equity Fund Europe LGT Sustainable Equity Fund Global with partial delegation for the following sub-funds: LGT Sustainable Money Market Fund (CHF) LGT Sustainable Money Market Fund (EUR) LGT Money Market Fund (USD) LGT Bond Fund Global Inflation Linked LGT Sustainable Bond Fund Global LGT Sustainable Bond Fund Global Hedged LGT Sustainable Equity Fund Europe LGT Sustainable Equity Fund Global LGT Investment Management GmbH Renngasse 6-8 1010 Wien, Austria For the sub-funds: LGT Fixed Maturity Bond Fund 2026 (in liquidation) LGT Fixed Maturity Bond Fund 2026/II (in liquidation)

	to: LGT Capital Partners (Asia-Pacific) Ltd. 4203, Two Exchange Square 8 Connaught Place Central Hong Kong and to: LGT Capital Partners (USA) Inc. 30th Floor 1133 Avenue of the Americas New York, NY 10036
Administrator:	LGT Financial Services Ltd. Herrengasse 12 9490 Vaduz, Liechtenstein
Auditor:	PricewaterhouseCoopers Ltd. Birchstrasse 160 8050 Zürich, Switzerland
Legal structure:	UCITS in the legal form of an investment company with variable capital under the laws of Liechtenstein in accordance with the UCITS Act and the UCITS Ordinance.
Umbrella structure:	Umbrella structure which may comprise several sub-funds
Jurisdiction:	Liechtenstein
Financial year:	The financial year of the UCITS commences on 01 May and ends on 30 April of each year.
Base currency:	The UCITS' base currency (i.e. the currency of the accounts of the UCITS as such) is the Swiss Franc (CHF). The Sub-Funds may have different base currencies (see Supplements).
Competent supervisory authority:	FMA; (www.fma-li.li)
Publication medium:	www.lafv.li

Contents

Investment Conditions 9

Definitions 9

1 The UCITS and the Sub-Funds 18

2 Investment Objectives, Techniques, Instruments and Strategies 19

3 Unit Dealings 30

4 Valuation Principles 35

5 Management and Administration of the UCITS 39

6 Conflicts of Interest; Connected Party Transactions; Inducements and Commission Rebates 41

7 Fees and Expenses 44

8 Risk Factors 46

9 Taxation 69

10 General Information 71

Appendix 1 – Permitted Investments and Investment Restrictions 76

Appendix 2 – Specific Information for Individual Distribution Countries 81

LGT Sustainable Money Market Fund (CHF) 97

LGT Sustainable Money Market Fund (EUR) 118

LGT Money Market Fund (USD) 139

LGT Bond Fund Global Inflation Linked 160

LGT EM LC Bond Fund 184

LGT Sustainable Bond Fund Global 205

LGT Sustainable Bond Fund Global Hedged 230

LGT Sustainable Equity Fund Europe 254

LGT Sustainable Equity Fund Global 274

LGT Fixed Maturity Bond Fund 2026 (in liquidation) 297

LGT Fixed Maturity Bond Fund 2026/II (in liquidation) 309

Investment Conditions

Definitions

The following words and phrases shall have the meanings set out below:

"ABCP(s)"	means asset-backed commercial paper as further described in Article 11 of the MMF Regulation;
"Accounting Period"	means a period starting on 1 May and ending on 30 April of each year or such other date as the Management Company may from time to time decide;
"Administration Agreement"	means the administration agreement entered into between the Management Company and the Administrator from time to time;
"Administrator"	means LGT Financial Services Ltd. or any successor administrator appointed by the Management Company;
"Articles"	means the articles of association of the UCITS as amended, supplemented or modified from time to time;
"Auditors"	means PricewaterhouseCoopers Ltd. or such other audit firm as may be appointed by the Management Company from time to time;
"Base Currency"	means in relation to any Sub-Fund such currency as is specified in the relevant Supplement;
"Benchmark Regulation"	means Regulation (EU) 2016/1011 of the European Parliament and of the Council, as may be amended from time to time;
"Beneficial Ownership Regulations"	means the Liechtenstein legal provisions on the register of beneficial owners (including, as applicable, the VwbPG and VwbPV), as may be amended, consolidated or substituted from time to time, implementing relevant EEA/EU anti-money laundering regulations;
"Board of Directors"	means the duly authorized committee of directors of the UCITS, each a 'Director' or, where the context so requires, any duly authorized delegate thereof;
"Business Day"	means in relation to any Sub-Fund such day or days as shall be specified in the relevant Supplement;
"Cash Equivalents"	shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances which meet the requirements of the Regulations;
"Class(es)"	means the class or classes of Units relating to a Sub-Fund;
"Constituent Documents"	the following documents:

	- Articles of Association - Investment Conditions including Supplements together form an integral unit and shall be referred to collectively as the "Constituent Documents" within the meaning of Art. 3 of the UCITS Act.
"Contract for Difference"	means an agreement to pay out cash on the difference between the starting asset price and the asset price at the time when the contract is closed. A contract for difference does not have a fixed maturity and may be closed out at any time at the discretion of the position taker. A contract for difference allows a direct exposure to the market, a sector or an individual security. Contracts for differences are used to gain exposure to asset price movements without buying the assets themselves;
"Convertible Bond"	means a special type of bond which not only provides the bondholder with an interest payment but also the right to convert the bond into (typically) stock of the bond issuer. A convertible bond can therefore also be interpreted as a bond with an embedded option;
"Credit Linked Note" or "CLN"	means a fixed income security typically issued by banks which has the characteristics of a bond with the addition that the repayment of the principal amount at maturity by the issuer is subject to the non-occurrence of a credit event specified in the CLN's terms. The credit event is typically the insolvency, payment default or restructuring of a single or a basket of issuers or bonds. In case a credit event occurs, an amount stipulated in the CLN's terms is deducted from its principal amount and the remainder repaid to the CLN holders. The deducted amount largely depends on the type of credit event of the CLN but with a maximum equal to the principal amount. Therefore, typically the issuer pays, in addition to fixed coupon payment, a risk premium to the CLN's holders in return for the right to reduce the principal amount upon occurrence of the credit event. A CLN can therefore also be interpreted as a bond with an embedded credit default swap;
"CRS"	means the Common Reporting Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the OECD, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
"Data Protection Legislation"	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679/EU);
"Dealing Day"	means in relation to each Sub-Fund such day or days as shall be specified in the relevant Supplement for that Sub-Fund or such other day(s) as the UCITS or the Management Company may determine and notify in advance to Unitholders;
"Dealing Deadline"	means in relation to applications for subscription, or redemption of Units in a Sub-Fund, the day and time specified in the relevant Supplement;
"Depositary Agreement"	means the depositary agreement between the UCITS and the Depositary from time to time;
"Depositary"	means LGT Bank Ltd. or any successor depositary appointed by the Management Company;

"Duration Management"	means with regards to fixed income securities and debt instruments the management of the average time to maturity of a portfolio considering the interest rate sensitivity of the relevant instruments and the perceived interest rate trend and change risk at the relevant point in time. Generally, the Investment Manager would tend to lower the overall portfolio duration in the case of rising interest rates and increase duration when interest rates are decreasing;
"Duties and Charges"	mean all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees, investment research expenses and any transaction and safekeeping fees payable to the Depositary or its delegates or agents and other duties and charges whether in connection with the original acquisition or increase of the assets of the UCITS or the creation, issue or sale of Units or the sale or purchase of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of the relevant Sub-Fund;
"EEA Member State"	means a member state of the EEA;
"EEA"	means European Economic Area (the members as at the date of these Investment Conditions being EU Member States, Iceland, Liechtenstein and Norway);
"Eligible Assets"	means assets eligible for investment by the UCITS as described in the Regulations;
"Eligible CIS"	means "UCITS collective investment schemes" and other collective investment undertakings comparable to a UCITS within the meaning of Art. 3, par. 1, section 17 of the UCITS Act. To be an Eligible CIS, the scheme may not invest more than 10% of its net asset value in underlying collective investment schemes;
"Eligible Counterparty"	means a counterparty to OTC derivatives with which a Sub-Fund may trade, subject to prudential supervision and falling within any of the categories approved by the FMA;
"Eligible Indices"	means financial indices which comply with the requirements set out in the Regulations and the requirements of the FMA;
"Environmentally Sustainable Investment(s)"	means, in accordance with the Taxonomy Regulation, an underlying investment of a Sub-Fund which satisfies the EU criteria for environmentally sustainable economic activities, on the basis that it: • contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the "Environmental Objectives"); • does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation; • is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and • complies with technical screening criteria, prescribed in the Taxonomy Regulation.
"ESG Focused Fund"	means a Sub-Fund of the UCITS that meets the criteria in SFDR to qualify as a financial product (which includes a UCITS authorized in accordance with article 5

	of EC Council Directive 2009/65/EC of 13 July 2009 as amended, consolidated or substituted from time to time) and has sustainable investment as its objective;
"ESG Oriented Fund"	means a Sub-Fund of the UCITS that meets the criteria in SFDR to qualify as a financial product (which includes a UCITS authorized in accordance with article 5 of EC Council Directive 2009/65/EC of 13 July 2009 as amended, consolidated or substituted from time to time) and promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the fund invests in follow good governance practices;
"ESG"	means environmental, social and governance;
"ESMA"	means the European Securities and Markets Authority;
"EU Member State"	means a member state of the EU;
"EU"	means the European Union;
"Exchange Traded FDI"	means FDI dealt in or on a Regulated Market;
"FATCA"	means the Foreign Account Tax Compliance Act.
"FDI"	means a financial derivative instrument permitted by the Regulations;
"FMA"	means the Financial Market Authority of Liechtenstein (Finanzmarktaufsicht Liechtenstein);
"Founder Shareholders"	means the holders of the Founder Shares;
"Founder Shares"	means the shares issued to the founders of the UCITS, which represent the right to attend the General Meeting and entitle the holder to cast votes at the General Meeting;
"General Meeting"	means the general meeting of the Founder Shareholders, as further described in the Articles;
"Initial Issue Price"	means the price (excluding any Subscription Fee) per Unit at which Units are initially offered in a Sub-Fund during the Initial Offer Period as specified in the relevant Supplement;
"Initial Offer Period" or "Initial Subscription Day"	means the period during which Units are initially offered at the Initial Issue Price as specified in the relevant Supplement;
"Investment Advisor"	means an entity appointed by the Investment Manager (or Management Company) to provide investment advice in respect of some or all of the assets of a Sub-Fund and who does not have any discretionary powers over any of the assets of the relevant Sub-Fund;
"Investment Advisory Agreement"	means an investment advisory agreement between the Management Company and the Investment Advisor as set out in the relevant Supplement;

"Investment Management Agreement"	means the agreement between the Management Company and the Investment Manager from time to time;
"Investment Manager"	means LGT Capital Partners Ltd., LGT Investment Management GmbH or any alternative(s) or successor(s) thereto duly appointed by the Management Company to provide discretionary investment management in respect of some or all of the assets of the Sub-Funds;
"KID"	means a key investor information document and/or a Packaged Retail and Insurance-based Investment Product-Key Information Document;
"LAFV"	means the Liechtenstein Investment Fund Association (*Liechtensteinischer Anlagefondsverband*);
"Liechtenstein FATCA Act"	means the implementing provisions of the Law of 4 December 2014 relating to the Implementation of the Liechtenstein FATCA Agreement between the Principality of Liechtenstein and the United States of America, as may be amended from time to time;
"Liechtenstein FATCA Agreement"	means the agreement between the Government of the United States and the Government of Liechtenstein to Improve International Tax Compliance and to Implement FATCA of 16 May 2014, as may be amended from time to time;
"LGT Group"	means LGT Foundation or any of its direct or indirect subsidiaries.
"Management Agreement"	means the agreement entered into between the UCITS and the Management Company from time to time;
"Management Company"	means LGT Capital Partners (FL) Ltd. or any successor thereto;
"Management Fee"	means the fee defined in the section entitled Management Fee in the relevant Supplement;
"MiFID II"	means Directive 2014/65/EU as may be amended, consolidated or substituted from time to time;
"Minimum Additional Investment Amount"	means the minimum number or value of Units (if any) required for each subsequent subscription by each Unitholder for Units in a particular Sub-Fund or Class as specified in the relevant Supplement;
"Minimum Initial Investment Amount"	means the minimum initial subscription required by each Unitholder for Units in a particular Sub-Fund or Class as specified in the relevant Supplement;
"Minimum Redemption Amount"	means such number or value of Units of any class (if any) as specified in the relevant Supplement;
"Minimum Fund Size"	means the minimum value as described in the UCITS Ordinance;
"Minimum Unitholding"	means the minimum number or value of Units (if any) which must be held by Unitholders in a particular Sub-Fund or Class as specified in the relevant Supplement;

"MMF Regulation"	means Regulation 2017/1131/EU of the European Parliament and of the Council of 14 June 2017 on money market funds (as amended, consolidated or substituted from time to time);
"Money Market Instruments"	means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time as provided for under the Regulations;
"Net Asset Value per Unit"	means the Net Asset Value of a Sub-Fund, or Class (as appropriate), divided by the number of Units in issue in that Sub-Fund or Class rounded to three decimal places or such other number of decimal places as may be determined by the Management Company from time to time;
"Net Asset Value" or "NAV"	means the net asset value of a Sub-Fund or attributable to a Class (as appropriate) calculated in accordance with the principles set out in the Calculation of Net Asset Value section below;
"OECD"	means the Organisation for Economic Cooperation and Development;
"OECD Governments"	as at the date of these Investment Conditions, the current members are; Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, South Korea (Republic), Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States or such other members as may be admitted to the OECD from time to time;
"OTC Derivative"	means a FDI which is dealt in over the counter;
"Performance Fee"	means a performance fee (if any) payable to the Management Company or an Investment Manager as may be specified in the relevant Supplement;
"Redemption Fee"	means the charge, if any, to be levied by the Management Company on Unitholders redeeming their Units as specified in the relevant Supplement;
"Redemption Payment Date"	means in respect of the dispatch of monies for the redemption of Units, the timeframe specified in the relevant Supplement;
"Redemption Price"	means the price at which Units are redeemed, as described under Redemption of Units and as may be specified in the relevant Supplement;
"Redemption Proceeds"	means the Redemption Price less any Redemption Fee and any charges, costs, expenses or taxes, as described under Redemption of Units;
"Regulated Markets"	means, with the exception of permitted investments in unlisted securities and Money Market Instruments, a Sub-Fund will only invest in transferable securities and Money Market Instruments which are listed or traded on a stock exchange or market that are: (a) listed or traded on a regulated market as defined in Art. 4 (1) no. 21 of Directive 2014/65/EU; or (b) traded in another regulated market of an EEA Member State, which market is recognized, open to the public and operates properly; or

	(c) officially listed on a securities exchange in a non-EEA Member State on another market in a European, American, Asian, African or Pacific country that is recognized, open to the public and operates properly.
"Regulations"	means together the UCITS Act and the UCITS Ordinance as amended, supplemented, consolidated or otherwise modified from time to time;
"Securities Financing Transaction"	means any transactions within the scope of SFTR that a Sub-Fund is permitted to engage in, including, for example, repurchase agreements, reverse repurchase agreements and securities lending agreements;
"Service Provider"	means a service provider or agent, such as paying agent, representative, facilities agent, correspondent bank or centralizing agent, appointed in respect of the UCITS in certain jurisdictions as detailed in Appendix 2;
"Settlement Day"	means, unless otherwise stated in a Supplement, a day on which main exchanges are open for settlement in the market of the relevant Class currency;
"SFDR"	means the Sustainable Finance Disclosure Regulation (Regulation 2019/2088/EU) as amended and as may be further amended from time to time;
"SFT Regulation" or "SFTR"	means Regulation 2015/2365/EU of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
"Standard VNAV MMF"	means a standard variable net asset value money market fund as per Article 2 (13), (15) of the MMF Regulation;
"Sub-Fund"	means a sub-fund of the UCITS which is established by the UCITS from time to time, representing the designation by the UCITS of a particular pool of assets separately invested in accordance with the investment objective, policies and strategies applicable to such sub-fund;
"Subscription Fee"	means the charge, if any, to be levied by the Management Company on investors subscribing for Units as specified in the relevant Supplement;
"Subscription Payment Date"	means in respect of receipt of monies for subscription for Units such timeframe as may be specified in the relevant Supplement;
"Supplement"	means any supplement to the Investment Conditions issued on behalf of the UCITS from time to time specifying information in respect of a particular Sub-Fund or one or more Classes in a Sub-Fund;
"Sustainability Factors"	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;
"Sustainability Risk"	means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment;
"Taxonomy Regulation"	the Regulation on the Establishment of a Framework to facilitate Sustainable Investment (Regulation 2020/852/EU) as may be amended from time to time;

"Total Return Swap"	means a derivative transaction (within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty;
"U.S. Person"	means (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organized principally for passive investment, organized under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business in the United States; (v) 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 qualify as U.S. persons or otherwise as qualified eligible persons represent in the aggregate 10% or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other 'U.S. Person' as such term may be defined in Regulation S under the U.S. Securities Act of 1933, as amended, or in regulations adopted under the U.S. Commodity Exchange Act of 1922, as amended;
"UCITS Act"	means the Law of 28 June 2011 concerning Specific Undertakings for Collective Investment in Transferable Securities, as amended and as may be further amended, supplemented, modified or replaced from time to time;
"UCITS Directive"	means Directive 2009/65/EC of the European Parliament and of the Council, as amended by Directive 2014/91/EU and Directive (EU) 2024/927, and as may be further amended, consolidated or substituted from time to time;
"UCITS Ordinance"	means the Ordinance of 5 July 2011, concerning Specific Undertakings for Collective Investment in Transferable Securities, as amended and as may be further amended, supplemented, modified or replaced from time to time;
"UCITS"	means an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive and "the UCITS" means LGT Funds SICAV;
"United Kingdom" and "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" and "U.S."	means the United States of America (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"Unitholders"	means holders of Units, and each a 'Unitholder';
"Units"	means participating Units in the UCITS representing interests in a Sub-Fund and where the context so permits or requires any class of participating Units representing interests in a Sub-Fund;
"Valuation Day"	means in relation to a Sub-Fund, such day or days as shall be specified in the relevant Supplement for each Sub-Fund;

"Valuation Point"	means the point in time by reference to which the Net Asset Value is calculated as specified in the relevant Supplement for each Sub-Fund.

In these Constituent Documents, any reference to any statute, statutory provision or regulatory requirement or guidance shall be construed as including a reference to that statute, statutory provision or regulatory requirement or guidance as amended, extended or re-enacted as at the date of these Constituent Documents and from time to time thereafter.

1 The UCITS and the Sub-Funds

The UCITS is an open-ended umbrella in the legal form of an investment company with variable capital, limited liability and segregated liability between Sub-Funds, incorporated in accordance with the laws of Liechtenstein for an indefinite period of time without any limitations as to its capital.

The UCITS was approved by the FMA on 4 February 2003 and registered in the Liechtenstein commercial register on 11 February 2003.

1.1 SUB-FUNDS

The UCITS has adopted an 'umbrella' structure to provide investors with a choice of different Sub-Funds. Each Sub-Fund will be differentiated by its specific investment objective, policy, currency of denomination or other specific features as described in the relevant Supplement. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with each Sub-Fund's respective investment objective and investment restrictions.

Additional Sub-Funds (in respect of which a Supplement or Supplements will be issued) may be established by the Management Company from time to time.

At the date of these Investment Conditions, the UCITS has eleven Sub-Funds, namely LGT Sustainable Money Market Fund (CHF), LGT Sustainable Money Market Fund (EUR), LGT Money Market Fund (USD), LGT Bond Fund Global Inflation Linked, LGT EM LC Bond Fund, LGT Sustainable Bond Fund Global, LGT Sustainable Bond Fund Global Hedged, LGT Sustainable Equity Fund Europe, LGT Sustainable Equity Fund Global, LGT Fixed Maturity Bond Fund 2026 (in liquidation) and LGT Fixed Maturity Bond Fund 2026/II (in liquidation).

1.2 CLASSES OF UNITS

Each Sub-Fund comprises one or more Classes of Units. The UCITS or the Management Company may resolve to create one or more Classes of Units for any Sub-Fund as well as to terminate or consolidate existing Classes. All Classes of Units relating to the same Sub-Fund will be commonly invested in accordance with such Sub-Fund's investment objective but may differ with regard to their Base Currency, currency hedging strategies if any applied to the currency of a particular Class of Units, fee structure, Minimum Initial Investment Amount, Minimal Additional Investment Amount, Minimum Unitholding, Minimum Redemption Amount, dividend policy (including the dates and payments of any dividends), investor eligibility criteria or other particular feature(s) as the Management Company will decide. A separate Net Asset Value per Unit will be calculated for each issued Class of Units in relation to each Sub-Fund. As a result, due to the aforementioned differences in the terms / characteristics of a specific Class of Units, the investment performance may vary across different Classes of Units of a Sub-Fund despite that all Classes of Units of such Sub-Fund feed into the same portfolio of assets. The different features of each Class of Units available relating to a Sub-Fund are described in detail in the relevant Supplement.

The UCITS reserves the right to offer only one or several Classes of Units for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The UCITS also reserves the right to adopt standards applicable to certain classes of investors or transactions in respect of the purchase of a particular Class of Units and to allocate any given Class of Units to any particular Unitholder at the sole discretion of the Management Company.

Classes of Units may be established by the Management Company and notified to the FMA in accordance with the requirements of the FMA.

1.3 SIDE POCKETS

The UCITS reserves the right to create, at its discretion and in consultation with the Management Company, side pockets, also referred to as recovery pockets, (each a "**Side Pocket**") in respect of any Sub-Fund, in accordance with applicable legal provisions and subject to the prior approval of the FMA where required.

Side Pockets serve to segregate and separately manage certain assets which, due to exceptional circumstances, have become illiquid, subject to significant valuation uncertainty or otherwise difficult to value or realize without materially prejudicing Unitholders, with a view to ensuring that the orderly management, valuation and dealing of the remaining assets of the Sub-Fund are not unduly affected.

Upon the establishment of a Side Pocket, Unitholders invested in the relevant Sub-Fund at that time will be allocated an interest in the Side Pocket pro rata to their participation. Units attributable to a Side Pocket shall be closed to subscriptions, repurchases and redemptions. Where a Side Pocket is implemented by way of a dedicated Class (accounting segregation), the Net Asset Value for Units outside the Side Pocket will be calculated after excluding the assets allocated to the Side Pocket.

The UCITS may dispose of or liquidate the Side Pocket and distribute any proceeds to the relevant Unitholders in proportion to their participation. Unitholders will be

informed without undue delay of the establishment of a Side Pocket once any required approval has been granted.

1.4 DIVIDEND POLICY

The Management Company decides the dividend policy and arrangements relating to each Class of Units of each Sub-Fund and details are set out in the relevant Supplement. The UCITS can issue both accumulating and distributing Units in each Sub-Fund.

In the case of Classes of Units comprised of accumulating Units, the net income and profits (if any) available for distribution will be accumulated and reflected in the Net Asset Value of the Class of Units. In the case of Classes of Units comprised of distributing Units, dividends will be declared by the Management Company in accordance with the distribution frequency as set out in the relevant Supplement. However, it is in the sole discretion of the Management Company to declare dividends regardless of the distribution frequency as set out in the relevant Supplement.

The Management Company is entitled to declare dividends out of the relevant Class of Units being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realized and unrealized capital gains on the disposal/valuation of investments and other funds less realized and unrealized accumulated capital losses of the relevant Class of Units and/or (iii) the capital of the Class of Units, where disclosed in the relevant Supplement.

No interest will be paid on declared distributions after their due date.

2 Investment Objectives, Techniques, Instruments and Strategies

2.1 INVESTMENT OBJECTIVE AND POLICIES

Details of the investment objective and policy for each Sub-Fund appear in the Supplement for the relevant Sub-Fund.

Any change in the investment objective or any material change to the investment policies of a Sub-Fund shall be notified to Unitholders in advance by means of notice on the website of the LAFV (www.lafv.li) and/or by any other durable means.

Prospective investors should note that a Sub-Fund's investment policy may not be able to be fully implemented or complied with during the launch and wind-down phase of a Sub-Fund when initial investment positions are being established or final positions are being liquidated, as appropriate. In addition, in respect of the investment phase of a Sub-Fund, a Sub-Fund is permitted to derogate from certain investment limits of the Regulations for six (6) months from the date of its launch, provided that the Sub-Fund still observes the principle of risk spreading. As a consequence, Unitholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Sub-Fund will achieve its investment objective) during the investment phase and/or wind-down phase of a Sub-Fund.

Pending investment of the proceeds of a placing or offer for Units or where market or other factors so warrant, a Sub-Fund's assets may be invested in Money Market Instruments and in cash deposits denominated in such currency or currencies as the Investment Manager may determine.

Investors should be aware that the performance of certain Sub-Funds may be measured against a specified benchmark and in this regard, Unitholders are directed towards the relevant Supplement, which will refer to any relevant benchmark used for performance measurement purposes. The UCITS may at any time change that reference benchmark where, for reasons outside of its control, that benchmark has been replaced, or another benchmark may reasonably be considered by the UCITS to have become the appropriate standard for the relevant exposure. In such circumstances, any change in benchmark will be disclosed in the annual or half-yearly report of the UCITS issued subsequent to such change and will be disclosed in an updated Supplement as soon as practicable thereafter.

2.2 ELIGIBLE ASSETS AND INVESTMENT RESTRICTIONS

Investment of the assets of each Sub-Fund must comply with the Regulations. The Management Company may impose further investment restrictions in respect of any Sub-Fund (which will be disclosed in the relevant Supplement).

Further information on the investment restrictions set down in the Regulations applying to the UCITS and each Sub-Fund is set out in Appendix 1. Additional investment restrictions in respect of any Sub-Fund may be outlined in the relevant Supplement. Each Sub-Fund may also hold ancillary liquid assets. The Management Company shall aim to remedy any breach of the Regulations or investment restrictions as soon as practicable wherever such a breach occurs. Where the investment limits set down in Appendix 1 are exceeded for reasons beyond the control of the UCITS or as a result of the exercise of subscription rights, the UCITS shall adopt as a priority

objective for its sales transactions the remedying of that situation, taking due account of the interests of the Unitholders of the relevant Sub-Fund.

Each Sub-Fund may invest up to 10% of its Net Asset Value in unlisted securities/securities listed on markets other than Regulated Markets provided this is consistent with its investment objective.

2.3 GERMAN INVESTMENT TAX ACT

Where a Sub-Fund is classified as either an 'Equity Fund' or a 'Mixed Fund' pursuant to the requirements of the German Investment Tax Act, dated 19th July 2016, as may be amended from time to time ('Investmentsteuergesetz vom 19. Juli 2016 (BGBI. I S. 1730)' – InvStG 2018 – hereafter referred to as "**GITA**") the following additional investment provisions shall apply. Such classification will be set out in the investment policy in the relevant Supplement for such Sub-Fund.

A Sub-Fund shall qualify as an 'Equity Fund' under GITA where such Sub-Fund, according to its investment guidelines, continuously invests at least 51% of its Net Asset Value in equity participations. A Sub-Fund shall qualify as a 'Mixed Fund' under GITA where such Sub-Fund, according to its investment guidelines, continuously invests at least 25% of its Net Asset Value in equity participations.

For the purposes of the above classifications, equity participations are as defined in GITA and as summarized below:

(a) Shares of a corporation, which are admitted for trading on the official market of a stock exchange or listed on another organized market;

(b) Shares of a corporation which is not a real estate company and which:

  1) is domiciled in an EU Member State or in another signatory state to the agreement on the EEA and is subject to and not exempt from corporate taxation; or

  2) is domiciled in a third country and subject to corporate taxation (without exemption) of a rate of at least 15%;

(c) fund units in 'Equity Funds' (as defined above and which meet the relevant criteria set out in GITA) in the amount of 51% of the net asset value of the fund unit or, if higher, in the amount of the equity quota of their net asset value published per each valuation day;

(d) fund units in 'Mixed Funds' (as defined above and which meet the relevant criteria set out in GITA) in the amount of 25% of the net asset value of the fund unit or, if higher, in the amount of the equity quota of their net asset value published per each valuation day; or

(e) fund units neither classified as 'Equity Fund' nor as 'Mixed Fund' in the amount of the equity quota of their net asset value published per each valuation day (at the frequency as legally required).

With the exception of the cases as described under paragraphs (c), (d) or (e) of this section, investment units in other investment funds do not qualify as equity participations.

Investment by a Sub-Fund in 'equity participations' shall be subject to the investment restrictions in the Investment Conditions and the relevant Supplement.

2.4 BORROWING POWERS

The UCITS may only borrow, for the account of a Sub-Fund, up to 10% of the net assets of a Sub-Fund and the assets of such Sub-Fund may be charged as security for any such borrowings provided that such borrowing is only for temporary purposes. The UCITS, on behalf of a Sub-Fund, may acquire foreign currency by means of a back-to-back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. Currency risk (as described in the risk factor 'Currency Risk' in the section entitled Investment-Specific Risk below) may arise where the offsetting balance is not maintained in the Base Currency of the relevant Sub-Fund.

The UCITS may not borrow for investment purposes.

2.5 RISK MANAGEMENT

The Management Company has in place a risk management process which enables it to accurately measure, monitor and manage the various risks on the level of individual positions (including such risks associated with the use of FDI and Securities Financing Transactions) and on the aggregate level by determining the contribution of such individual risks to the Sub-Fund's overall risk profile. The Management Company maintains a risk management manual for the UCITS.

2.5.1 Global Exposure Calculation Methodologies

Exposure arising from the use of FDI and where applicable Securities Financing Transactions by a Sub-Fund will be measured and monitored using either (i) the 'commitment approach' or (ii) 'value at risk' (VAR). In determining the appropriate methodology, the Management Company shall take into account the investment strategy pursued by the relevant Sub-Fund, the types and complexities of the FDI used and the proportion of the relevant Sub-Fund's portfolio which comprises of FDI. The methodology chosen

for each Sub-Fund is set out in the relevant Supplement. The measurement and monitoring of all exposures relating to the use of FDI and Securities Financing Transactions will be performed on at least a daily basis.

2.5.2 Commitment Approach

Where a Sub-Fund uses the commitment approach to measure its global exposure, each FDI position shall be converted into the market value of an equivalent position in the underlying asset of that derivative in accordance with the FMA-Guidelines on Derivatives no. 2016/1 as amended from time to time. This market value may be replaced by the nominal value of the futures contract or the price of the futures contract if such value is more conservative. For complex derivatives, which cannot be converted into either the market value or the nominal value of the underlying, an alternative method may be used if the total value of these derivatives constitutes only a negligible proportion of the UCITS' or relevant Sub-Fund's assets.

2.5.3 Value at Risk Approach

VaR is a statistical methodology that predicts, under normal market conditions using historical data, the likely maximum daily loss that a Sub-Fund could lose calculated to a specific confidence level. Where the VaR methodology is used, a Sub-Fund will use either (i) the Relative VaR model where the VaR of the Sub-Fund's portfolio will not exceed twice the VaR of a reference portfolio which will reflect the Sub-Fund's intended investment style or (ii) the Absolute VaR model where the VaR of the Sub-Fund is capped as a percentage of Net Asset Value of the Sub-Fund. The Absolute VaR of a Sub-Fund cannot be greater than 20% of the Net Asset Value of that Sub-Fund and the maximum VaR limit applicable to a particular Sub-Fund will be specified in the relevant Supplement.

The Absolute VaR or Relative VaR of a Sub-Fund is calculated in accordance with the following parameters: (a) one tailed confidence interval of 99%; (b) holding period equivalent to a maximum of one month (20 Business Days); (c) effective observation period of at least one year (250 Business Days) unless a shorter observation period is justified by a significant increase in price volatility (e.g. extreme market conditions). The holding period, the historical observation period or the confidence level applicable to a particular Sub-Fund will be specified in the relevant Supplement.

It should be noted that VaR methods rely on a number of assumptions about the forecasting of investment markets and the ability to draw inferences about the future behavior of market prices from historical movements. If those assumptions are incorrect by any significant degree, the size and frequency of losses actually incurred in the investment portfolio may considerably exceed those predicted by a VaR model (and even a small degree of inaccuracy in the forecasting models used can produce large deviations in the forecast produced). VaR does enable a comparison of risks across asset classes and serves as an indicator to a portfolio manager of the investment risk in a portfolio. If used in this way and having regard to the limitations of VaR methods and the particular model chosen, it can act as a signal to the Management Company of an increase in the general level of risk in a portfolio and as a trigger for corrective action by the Management Company.

Where a Sub-Fund uses VaR to measure its global exposure, it must also monitor the leverage of the Sub-Fund. The expected level of leverage which may be incurred by a Sub-Fund using VaR shall be disclosed in the relevant Supplement. It should be noted that the expected level of leverage disclosed for each Sub-Fund which uses VaR is an indicative level and is not a regulatory limit. The Sub-Fund's actual level of leverage might significantly exceed the expected level from time to time.

2.6 INVESTMENT IN CHINA VIA STOCK CONNECT

Where specified in the relevant Supplement, a Sub-Fund may invest in and have direct access to China A shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (together, the "**Stock Connect Scheme**").

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("**HKEX**"), Shanghai Stock Exchange ("**SSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links programme developed by HKEX, Shenzhen Stock Exchange ("**SZSE**") and ChinaClear. The aim of the Stock Connect Scheme is to achieve mutual stock market access between Mainland China (which for the purposes herein, means the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**")) and Hong Kong. The stock exchanges of the two jurisdictions continue to issue details of Stock Connect Scheme, e.g. operational rules, from time to time. The Stock Connect Scheme enables investors to trade eligible shares listed on the other's market through local securities firms or brokers.

The Stock Connect Scheme comprises Northbound Trading Links and Southbound Trading Links. Under the Northbound Trading Links, investors, through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("**SEHK**"), are able to place orders to trade eligible China A shares listed on the SSE and SZSE by routing orders to such Mainland China stock exchange ("**Northbound Trading Link**"). All Hong Kong and overseas investors (including a

Sub-Fund) are allowed to trade such securities through the Stock Connect Scheme (through the relevant Northbound Trading Link).

Further information about the Stock Connect Scheme is available online on the website: www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en

2.7 CHINA INTER-BANK BOND MARKET

Where specified in the relevant Supplement, a Sub-Fund may invest in fixed income securities traded on the China Inter-Bank Bond Market (the "**CIBM**") either directly or via Bond Connect.

CIBM is the over-the-counter market for bonds issued and traded in the PRC. A new scheme was launched in 2016 to open up the CIBM to eligible foreign institutional investors to access onshore bonds directly. Under this scheme, foreign institutions can trade bonds directly through onshore settlement agents (i.e. banks) in the PRC without being subject to any investment quota restrictions. Participation in CIBM by foreign institutional investors is governed by the relevant rules and regulations as issued by the Mainland Chinese authorities i.e. the People's Bank of China ("**PBOC**") and State Administration of Foreign Exchange ("**SAFE**").

Applicable rules and regulations may be amended from time to time and include (but are not limited to):

(a) the "**Announcement (2016) No 3**" issued by the PBOC on 24 February 2016;

(b) the "**Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets**" issued by the Shanghai Head Office of PBOC on 27 May 2016;

(c) the "**Circular concerning the Foreign Institutional Investors' Investment in Interbank bond market in relation to foreign currency control**" issued by SAFE on 27 May 2016; and

(d) any other applicable regulations promulgated by the relevant authorities

(together the "**CIBM Rules**").

2.8 BOND CONNECT

The Bond Connect initiative was launched in July 2017 to facilitate CIBM access between Hong Kong and Mainland China. It was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("**CFETS**"), China Central Depository & Clearing Co., Ltd ("**CCDC**"), Shanghai Clearing House ("**SHCH**") and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit ("**CMU**").

The Bond Connect platform is designed to be efficient and more convenient for offshore investors at an operational level, by using familiar trading interfaces of established electronic platforms without requiring investors to register in Mainland China. Orders are executed electronically with any of the more than 20 eligible onshore participating dealers who are part of CFETS. Cash is exchanged offshore in Hong Kong; bonds are held in custody onshore in Shanghai. While the infrastructure contemplates two-way access between Hong Kong and China, at present it is only open in respect of investment through Hong Kong into the CIBM (generally referred to as "**Northbound**" access). Eligible foreign investors utilizing Bond Connect are required to appoint the CFETS or other institutions recognized by the PBOC as registration agents to apply for registration with the PBOC.

The platform has fewer restrictions (e.g. no minimum holding period, no repatriation restrictions, no investment quotas) than other avenues for offshore investors to access the CIBM. Bond Connect is governed by rules and regulations as promulgated by the Mainland China authorities. Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the Mainland China inter-bank bond market through the Northbound trading of Bond Connect ("**Northbound Trading**"). There will be no investment quota for Northbound Trading.

Northbound Trading under Bond Connect adopts a multi-layered custody arrangement whereby CCDC/SHCH performs the primary settlement function as the ultimate central securities depository, which handles bond custody and settlement for the CMU in Mainland China. The CMU is the nominee holder of CIBM bonds acquired by overseas investors via the Northbound Trading. The CMU handles custody and settlement for the accounts opened with it for the beneficial ownership of those overseas investors.

There are two levels in Bond Connect below CCDC and SHCH:

(a) the CMU as 'nominee holder' of CIBM bonds; and

(b) overseas investors as 'beneficial owners' of CIBM bonds through CMU members.

The CMU member who is appointed as sub-custodian of the Sub-Fund is subject to the same regulatory, safekeeping and due diligence requirements as any other duly appointed sub-custodian.

Overseas investors invest through offshore electronic trading platforms where trade orders are executed on CFETS, CIBM's centralized electronic trading platform, between investors and onshore market makers.

2.9 EFFICIENT PORTFOLIO MANAGEMENT

Where specified in the relevant Supplement, the Management Company, or where appointed the Investment Manager, may, on behalf of the Sub-Fund, employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes.

Use of such techniques and instruments should be in line with the best interests of Unitholders and may be made for one or more of the following reasons:

(a) the reduction of risk;

(b) the reduction of cost; or

(c) the generation of additional capital or income for the relevant Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund as described in these Investment Conditions and the relevant Supplement and the risk diversification rules set out in the Regulations.

The use of efficient portfolio management techniques and instruments must be economically appropriate in that they will be realized in a cost-effective way and must not result in a change to the investment objective of the Sub-Fund or add supplementary risks not covered in these Investment Conditions. The risks arising from the use of such techniques and instruments shall be adequately captured in the Management Company's risk management process.

2.10 SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

Where specified in the relevant Supplement, a Sub-Fund may use Securities Financing Transactions which include repurchase agreements, reverse repurchase agreements, securities lending agreements and/or Total Return Swaps, in each case in accordance with the conditions and limits set down in the SFTR.

Where a Sub-Fund is permitted to use Securities Financing Transactions, all types of assets which may be held by the relevant Sub-Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction.

Repurchase Agreement. An agreement pursuant to which the Sub-Fund sells a security to a counterparty and simultaneously agrees to repurchase the security at a specified price on a fixed future date. Where stated in the relevant Supplement in respect of the relevant Sub-Fund, the UCITS may, on behalf of a Sub-Fund, enter into repurchase agreements, provided that the counterparty is an investment-grade financial institution specializing in this type of transactions and that the ability of the Sub-Fund to meet redemption requests is in no way impaired as a result of such transaction. When entering into a repurchase agreement, it shall seek to ensure that it can recall at all times any securities that are subject to the repurchase agreement or to terminate any repurchase agreement it has entered into.

Cash collateral received under a repurchase agreement is typically reinvested in order to generate a return greater than the financing costs incurred by the Sub-Fund. In such circumstances, the Sub-Fund will be exposed to market risk and to the risk of failure or default of the issuer of the relevant security in which the cash collateral has been invested and therefore any exposure resulting from reinvestment of cash collateral must be taken into account in the global exposure calculation of the relevant Sub-Fund. Furthermore, the Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore it is exposed to market risk in the event that it repurchases such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

Reverse Repurchase Agreement. A transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. Where stated in the relevant Supplement in respect of the relevant Sub-Fund, the UCITS or the Management Company may, on behalf of a Sub-Fund enter into reverse repurchase agreements, provided that the counterparty is an investment-grade financial institution specializing in this type of transactions and that the ability of the Sub-Fund to meet redemption requests is in no way impaired as a result of such transaction. When entering into a reverse repurchase agreement, the UCITS shall seek to ensure that it can recall the full amount of cash or can terminate the reverse repurchase agreement on either an accrued basis or mark to market basis at any time. When the cash is recallable at any time on a mark to market basis, the mark to market value of the reverse repurchase agreement should be used for calculating the Net Asset Value of the relevant Sub-Fund.

There is no global exposure generated by a Sub-Fund as a result of entering into reverse repurchase arrangements, nor do any such arrangements result in any incremental market risk unless the additional income which is generated through finance charges imposed by the Sub-Fund on the counterparty is reinvested in which case the Sub-Fund will assume market risk in respect of such investments.

Securities Lending. An arrangement, where one party transfers securities to another party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities. Where stated in the relevant Supplement in respect of the relevant Sub-Fund, the UCITS or the Management Company may, on behalf of

a Sub-Fund lend some or all of the securities held in such Sub-Fund to third parties to enhance its return. When entering into a securities lending agreement, the UCITS or the Management Company on behalf of the UCITS shall ensure that it shall recall any security that has been lent out and terminate such agreement at any time.

Finance charges and cash collateral received by a Sub-Fund under a securities lending agreement may be reinvested in order to generate additional income. In such circumstances, the Sub-Fund will be exposed to market risk in respect of any such investments and should be taken into account when calculating global exposure.

Total Return Swap. Is generally an OTC swap which involves the total economic performance of a reference obligation transferring from one counterparty to another counterparty, typically in exchange for a fee.

Where specified in the relevant Supplement, Total Return Swaps may be entered into for any purpose that is consistent with the investment objective and policy of a Sub-Fund, including efficient portfolio management (such as hedging purposes or the reduction of portfolio expenses), speculative purposes (in order to increase income and profits for the portfolio), or to gain exposure to certain markets. The reference obligation of a Total Return Swap may be any security or other investment in which the relevant Sub-Fund is permitted to invest.

Where a Sub-Fund is permitted to use Securities Financing Transactions and/or Total Return Swaps, all types of assets which may be held by the relevant Sub- Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction and/or Total Return Swap.

All revenues and losses arising from Securities Financing Transactions, net of direct and indirect operational costs will be returned to the relevant Sub-Fund. The direct and indirect operational costs and fees (which are all fully transparent) shall include fees and expenses payable to counterparties engaged by the UCITS or the Management Company on behalf of the UCITS which will be borne by the relevant Sub-Fund in respect of which the relevant party has been engaged.

Information on the revenues and losses generated under such transactions shall be disclosed in the annual and semi-annual reports of the UCITS, along with the entities to whom direct and indirect operational costs and fees relating to such transactions are paid. Such entities may include the Management Company, the Depositary or entities related to the Management Company or Depositary, in which case the rules related to connected party transactions set down in the section entitled Conflicts of Interest may apply.

For further information in relation to the risks associated with Securities Financing Transactions and Total Return Swaps, please refer to the risk section.

2.11 FINANCIAL DERIVATIVE INSTRUMENTS

Where specified in the relevant Supplement, a Sub-Fund may invest in Exchange Traded FDI and/or in OTC Derivatives in accordance with the Regulations and the requirements of the FMA.

Where a Sub-Fund invests in Exchange Traded FDI, that Sub-Fund may buy or lease an exchange membership for cost efficiency purposes. A Sub-Fund may only enter into OTC Derivatives with an Eligible Counterparty. Please see the section below titled Investment-Specific Risk and to the risk factor 'Eligible Counterparties to OTC Derivative Contracts and Securities Financing Transactions' in that section for further information.

A Sub-Fund may use FDIs for investment purposes and/or for efficient portfolio management where specified in the relevant Supplement. Any use of FDI must comply with the Regulations and the requirements of the FMA, further information in relation to which is set out in Appendix 1 hereto. The relevant reference item of a derivative must comprise of transferable securities, Money Market Instruments, Eligible Indices, Eligible CIS, deposits, interest rates, foreign exchange rates, inflation rates, volatility or currencies. The FDI which the Management Company, or Investment Manager where appointed, may invest on behalf of each Sub-Fund, the underlying of the FDI, the purpose of such instruments and the expected effect of use of such FDI on the risk profile of the relevant Sub-Fund are set out in the relevant Supplement.

A Sub-Fund may not engage in uncovered sales at any time.

2.11.1 Types and Descriptions of FDI

The following is a non-exhaustive list of the types and descriptions of FDI which may be used by the Sub-Funds, where specified in the relevant Supplement:

Futures: Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a pre-agreed price through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures can be used to express both positive and negative views on the underlying. Therefore, where permitted by the investment policy of a Sub-Fund, they can be used to create a synthetic short position. Futures may also be used to equitize cash

balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred. Futures may also be used for Duration Management purposes. Futures contracts which may be entered into by a Sub-Fund include foreign exchange futures, index futures, interest rate futures, bond futures, financial futures and equity futures, which in each case may be used to hedge against certain risk within the portfolio or in order to take a long or short position on the underlying of the future.

Forwards: A forward contract locks-in the price at which an underlying may be purchased or sold on a future date. In a forward, the contracts holders are obliged to buy or sell a particular underlying at a specified price in a specified quantity and on a specified future date. One party to the forward is the buyer (long) who agrees to pay the forward price on settlement date, the other party is the seller (short) who agrees to receive the forward price on settlement date. Forward contracts may be cash settled between the parties. In contrast to futures, forwards are traded OTC. Forward contracts can be used to hedge or generate exposure. Where permitted by the relevant investment policy of a Sub-Fund, they can be used to express both positive and negative views on the underlying assets and can create a synthetic short position. Forward contracts which may be entered into by a Sub-Fund include foreign exchange forwards, non-deliverable forward foreign exchange contracts, interest rate forwards, index forwards, bond forward and equity forwards, which in each case may be used to hedge against certain risks arising within the relevant Sub-Fund's portfolio or in order to take a long or short position on the underlying of the forward.

Options: Options are the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of an underlying asset at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Sub-Fund may be a seller or buyer of put and call options. Where specified in the relevant Supplement, a Sub-Fund may purchase or sell options to hedge against an increase in the price of a security, index, currency or other asset which the Sub-Fund intends to purchase or generate exposure to or hedge against a decrease in the price of any such asset or in the market generally. Where permitted by the investment policy of a Sub-Fund, options can be used to express both positive and negative views on the underlying, hence they can be used to create a synthetic short position.

The Sub-Funds may trade options on an exchange or OTC. Options contracts which may be entered into by the Sub-Funds, include foreign exchange options, non-deliverable currency options, index options, bond options and equity options, which in each case may be to hedge against certain risks arising within the portfolio or in order to take a long or short position on the underlying of the option.

Swaps: A standard swap is an agreement between two parties, whereby they agree to exchange the cash flows or proceeds of a reference asset, such as one or more securities, a currency, an index or an interest rate, against the proceeds of another reference asset. They can be used to express both positive and negative views on the underlying assets. Where permitted by the relevant investment policy of a Sub-Fund, they can be used to express both positive and negative views on the underlying assets and can create a synthetic short position. Generally, swaps are traded OTC. The Sub-Funds may enter into swaps, including, but not limited to, equity swaps, swaptions, interest rate swaps, index swaps, inflation swaps, volatility swaps, variance swaps, currency swaps, credit default swaps and Total Return Swaps.

- Swaptions are contracts whereby one party is given the option to enter into a swap agreement (typically an interest rate swap agreement) on a specified future date in exchange for an option premium. Swaptions are typically used in order to protect against exposure to specific interest rates.

- Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments).

- In an index swap, one or both cash flow streams are related to the return of an Eligible Index or Eligible Indices, calculated on a notional amount, at specified dates during the life of the swap.

- An inflation swap is a contract under which a fixed payment is exchanged for a variable payment linked to a measure of inflation.

- A volatility or variance swap involves the exchange of payoffs between two counterparties based on the realized volatility or variance of an underlying asset's price over a specified time period. Volatility and variance swaps settle in cash based on the difference between (i) the realized volatility or variance and (ii) the implied volatility or variance of an underlying asset as at the time the contract is agreed. Volatility and variance swaps allow participants to trade an asset's underlying volatility without directly trading the underlying asset.

- Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. Currency swaps are used to transform the currency denomination of assets and liabilities.

- A credit default swap ("**CDS**") is a credit derivative that gives the buyer of that swap protection in case the reference entity defaults or suffers a credit event. In return, the seller of the credit default receives from the buyer a regular fee, called a spread. These are used to transfer third party credit risk from one party to another. The 'buyer in a CDS contract is obligated to pay the 'seller' a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. The fee, i.e. the periodic stream of payments, is dependent upon the perceived amount of credit risk transferred. If an event of default occurs, the seller must pay the buyer the full notional value or 'par value' of the reference obligation. A Sub-Fund may either be the buyer or seller in a CDS transaction.

- The use by any Sub-Fund of any form of swap that meets the criteria contained in the definition of a Total Return Swap shall be subject to the requirements of SFTR. The reference obligation of a Total Return Swap shall be an investment in which the relevant Sub-Fund is permitted to invest or gain exposure to in accordance with its investment policy. Where applicable, information on the underlying strategy or index and the composition of the investment portfolio or index (i.e. the reference obligation) shall be disclosed in the relevant Supplement. The counterparty to a Total Return Swap entered into by a Sub-Fund shall not assume any discretion of the composition or management of the investment portfolio of the Sub-Fund or of the underlying reference obligation of the Total Return Swap and the approval of the counterparty will not be required in relation to any investment portfolio transaction of the relevant Sub-Fund.

Caps and Floors: A cap is an agreement under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front.

Contracts for Differences: The Sub-Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for differences ("**CFD**") are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed.

Warrants: A warrant that is a security that entitles the holder to buy the underlying stock of the issuing company at a fixed price, quantity and future time. Warrants are frequently attached to bonds or stock, allowing the issuer to pay lower interest rates or dividends. They can be used to enhance the yield of the bond and make them more attractive to potential buyers. Frequently, warrants are detachable and can be sold independently of the bond or stock. There are two primary types of warrants, namely a call warrant and a put warrant. A call warrant represents a specific number of shares that can be purchased from the issuer at a specific price, on or before a certain date. A put warrant represents a certain amount of equity that can be sold back to the issuer at a specified price, on or before a stated date.

A warrant-linked bond is a traditional warrant issued in conjunction with a bond. It entitles the bearer to buy shares in the issuing company at a predetermined price, usually following a given period.

In addition to call warrants and put warrants on bonds or stocks, gross domestic product ("**GDP**") warrants can be issued by an issuer (mainly countries) in which the pay-off is driven by the economic performance of a country. These securities can be issued to reference real GDP, nominal GDP or aspects of both. In some cases, however, these securities may not have any principal claim and the notional is only used as a basis for calculating the investor's share of payments.

Convertible Securities: Convertible securities are usually either convertible bonds or convertible preferred shares which are most often exchangeable into the common stock of the company issuing the convertible security at a pre-stated conversion price. Being debt or preferred instruments, they have an advantage to the common stock in case of distress or bankruptcy. Convertible bonds offer the investor the safety of a fixed income instrument coupled with participation in the upside of the equity markets. Essentially, convertible bonds are bonds that, at the holder's option, are convertible into a specified number of shares.

As new derivative instruments become available on the market, the Management Company may add these to the techniques and instruments used by each Sub-Fund provided they correspond to the investment objectives and investment policies of such Sub-Fund and to the regulatory requirements applicable to the UCITS.

2.12 CURRENCY HEDGING TRANSACTIONS

2.12.1 Portfolio Level Currency Hedging

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency and changes in the exchange rate between the Base Currency and the currency of the assets may lead to a depreciation of the value of the relevant Sub-Fund's assets as expressed in the Base Currency. Where specified in the relevant Supplement, the Management Company or the Investment Manager may engage in portfolio level currency hedging in respect of a Sub-Fund. The aim of this hedging will be to reduce the Sub-Fund's level of risk and to hedge the currency exposure of the Sub-Fund's underlying securities into the Base Currency. No assurance however can be given that such mitigation will be successful. Any such transactions shall be carried out at normal commercial rates. Unitholders should note that further information on the risks associated with portfolio level currency hedging is set out in the section entitled Investment-Specific Risk and to the risk factor 'Currency Risk' in that section.

Unitholders should also note that the hedging strategies implemented by the Management Company or an Investment Manager at Sub-Fund level are distinct from any class level currency hedging undertaken, details of which are described below.

2.12.2 Hedged Classes

The Management Company, or where appointed, the relevant Investment Manager may, where specified in the relevant Supplement, conduct class level currency hedging transactions, either partially or fully, in order to seek to mitigate the exchange rate risks (i) between the denominated currency of the Class and the Base Currency of the Sub-Fund and/or (ii) between the denominated currency of the Class and the denominated currencies in which the assets of the Sub-Fund are denominated.

The Management Company or Investment Manager may utilize a variety of instruments (as described further below under the section entitled Currency Hedging Transactions) to seek to hedge against changes in currency values which may affect the value of the relevant Class and such transactions will be clearly attributable to the Class (although the instrument itself will itself be an asset/liability of the Sub-Fund as a whole). The cost and any gains or losses associated with the currency hedging transactions in respect of the Class will be allocated solely to the Class.

Where the Management Company or Investment Manager implements a currency hedging strategy at Class level, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Management Company or Investment Manager. Over-hedged positions shall not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall below 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be kept under review to ensure that any over-hedged positions do not exceed the level specified above. Any currency hedging position that is materially in excess of 100% will not be carried forward from month to month. Under-hedged positions shall also be kept under review to ensure that such positions are not carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the hedged class is likely to move in line with the performance of the underlying assets with the result that investors in that hedged Class will not gain if the Class currency falls against the Base Currency.

Any currency exposure of a hedged Class may not be combined with, or offset against, that of any other hedged Class of a Sub-Fund. The currency exposure of the assets attributable to a hedged Class may not be allocated to other Classes.

It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured. Unitholders' attention is drawn to the risk factor titled 'Unit Currency Designation Risk' in the section entitled Investment-Specific Risk.

Unitholders should also note that currency hedging at Class level is distinct from any currency hedging strategies that may be implemented at Sub-Fund level, as described above in the section entitled Portfolio Level Currency Hedging and the 'Unit Currency Designation Risk' risk factor.

2.12.3 Unhedged Classes

Where a Class is denominated in a currency other than the Base Currency of the relevant Sub-Fund and no currency hedging strategy is employed by the Management Company or Investment Manager, such Class will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

Subscription monies are payable in the denominated currency of the Class. However, the UCITS may accept payment in such other currencies as the Management Company or the Investment Manager may agree at the prevailing exchange rate available to the Administrator. The cost and risk of converting currency will be borne by the investor. In the case of Classes that are denominated in a currency other than the Base Currency and are not identified as hedged, a currency conversion will take place on subscriptions and also on redemptions, exchanges and distributions at prevailing exchange rates and the value of the Units in the relevant Class will be subject to exchange rate risk in relation to the Base Currency.

2.12.4 Currency Hedging Transactions

When undertaking currency hedging (either at portfolio level or class level), the Management Company, or where appointed the relevant Investment Manager may utilize a variety of FDI such as currency futures, forward foreign exchange contracts and currency swaps. The Management Company or relevant Investment Manager may also enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. 'Spot' settlement means that delivery of the currency amounts normally takes place within two Business Days and therefore spot foreign exchange transactions are not classed as FDI.

2.13 ELIGIBLE COUNTERPARTIES TO OTC DERIVATIVES AND SECURITIES FINANCING TRANSACTIONS

Any counterparty to an OTC Derivative or a Securities Financing Transaction must be an Eligible Counterparty.

In addition, any counterparty to an OTC Derivative or a Securities Financing Transaction shall be subject to an appropriate due diligence assessment carried out by the Management Company or its delegate, which shall include amongst other considerations, whether the counterparty is subject to prudential regulation, its financial soundness (including whether it is subject to sufficient capital requirements), external credit ratings of the counterparty, the organizational structure and resources of the relevant counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and the legal status of the counterparty.

2.14 COLLATERAL MANAGEMENT

For the purpose of providing margin or collateral in respect of transactions in Securities Financing Transactions or FDI, the UCITS acting on behalf of a Sub-Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Sub-Fund in accordance with normal market practice as well as the criteria stipulated in the relevant applicable laws, regulations and guidelines.

2.14.1 Eligible Collateral

Collateral received by a Sub-Fund from a counterparty may be used to reduce the risk to such counterparty provided that it meets the criteria stipulated in the relevant applicable laws, regulations and guidelines, in particular in terms of liquidity, valuation, issuer creditworthiness, correlation and risks related to the administration and enforceability of collateral. Above all, collateral should comply with the following conditions:

- Any collateral received other than cash should be of good quality, high liquidity and traded on a regulated market or a multilateral trading system with transparent pricing in order that it can be sold quickly at a price that roughly corresponds to its pre-sale valuation.
- It should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts have been applied.
- It should be issued by an entity which is independent from the counterparty, and which is not expected to have a strong correlation with the counterparty's performance.
- It should be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure (taking into account all collateral received) of 20% of the Sub-Fund's net asset value to any individual issuer on an aggregate basis. A Sub-Fund may deviate from the above in accordance with the provisions set out in Appendix 1.
- It should be capable of being fully enforced at any time without reference to or approval from the counterparty.

2.14.2 Amount of Collateral

The Management Company shall determine the amount of collateral required for OTC financial derivatives transactions, Securities Financing Transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits in set out in the Investment Conditions and by taking into consideration the nature and characteristics of transactions, the creditworthiness and identity of counterparties as well as the prevailing market conditions.

2.14.3 Investment of Collateral

Non-cash collateral received by the Management Company may not be sold, invested or encumbered.

Cash collateral received by the Management Company may only be:

(a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a non-EU Member State, which are subject to prudential supervisory rules considered by the FMA as equivalent to those laid down in community law;

(b) invested in investment grade government bonds;

(c) used for the purpose of reverse repurchase transactions, provided that such transactions are

entered into with credit institutions which are subject to prudential supervision and that the Management Company is able to reclaim at any time the full amount of cash, including any accrued amounts; and/or

(d) invested in short-term money market funds as defined in the CESR Guidelines on a common definition of European money market funds (CESR/10-049).

Any invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as described above.

A Sub-Fund may incur losses when investing cash collateral, it receives. Such losses may be incurred due to a decline in the value of the investment made with the cash collateral received. A decline in the value of the invested cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty upon completion of the transaction. The Sub-Fund would be required cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

2.14.4 Valuation of Collateral

Collateral that is received by a Sub-Fund will be valued on at least a daily basis. The non-cash collateral received by the Sub-Fund will be valued at mark to market given the required liquid nature of the collateral.

2.14.5 Safe-keeping of Collateral Received by a Sub-Fund

Collateral received by a Sub-Fund on a title transfer basis shall be held by the Depositary or a duly appointed sub-custodian of the Depositary.

For other types of collateral arrangements, the collateral can be held by the Depositary or by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

2.15 REFERENCES TO BENCHMARKS

Certain Sub-Funds may refer to indices/benchmarks within the relevant Supplement. These indices/benchmarks may be referenced for various purposes, including, but not limited to, scenarios where the Sub-Fund is being managed with reference to an index or benchmark (i.e. the Sub-Fund is managed by way of reference to a performance benchmark or it applies index/benchmark based portfolio constraints to the investment strategy).

Additionally, Unitholders should note that the UCITS and/or its distributors may from time to time refer to indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement for the relevant Sub-Fund, they are not formal benchmarks by reference to which the Sub-Fund is managed.

A Sub-Fund may also gain exposure to a financial index via FDI, where considered appropriate to the investment objective and investment policies of the relevant Sub-Fund. Where a Sub-Fund will be using a financial index for investment purposes, the relevant Supplement shall provide sufficient disclosure to allow a prospective investor to understand the market that the index is representing, why the index is being used as part of the investment strategy of the Sub-Fund, whether the investment will be made directly or if the investment will be made indirectly through FDI and where additional information on the indices used may be obtained.

It may not be possible to comprehensively list the actual financial indices to which exposure may be taken by a Sub-Fund for investment purposes as they may change from time to time. As such, a list of the indices to which a Sub-Fund takes exposure will be set out in the annual financial statements of the UCITS. Details of any financial indices (including their name, rebalancing frequency and the markets that they represent) used by any Sub-Fund will be provided to Unitholders of that Sub-Fund by the Management Company on request.

The following provisions will apply to any financial index which a Sub-Fund gains exposure to:

- the financial index must comply with the with the UCITS Act and the requirements of the FMA;
- the financial index must be rebalanced/adjusted on a periodic basis in accordance with the requirements of the FMA e.g. on a weekly, monthly, quarterly, semi-annual or annual basis. Prospective investors should note that the costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced.

As outlined above, certain Sub-Funds may refer to indices within the relevant Supplement. Referencing an index will not constitute 'use' of an index, within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation, unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. there is an investment restriction that the Sub-Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices shall not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation. Where relevant, the Management Company or the Investment Manager shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation,

detailing the actions it will take in the event that any index it uses for any Sub-Fund (in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation) materially changes or ceases to be provided. These written plans shall detail the steps the Management Company or the Investment Manager will take to nominate a suitable alternative index. Any index used by a Sub-Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation shall be provided by an administrator either included in the register referred to in Article 36 of the Benchmark Regulation or availing of the transitional arrangements pursuant to Article 51 of the Benchmark Regulation.

2.16 INTEGRATION OF ESG

2.16.1 Fund Classification for SFDR

For SFDR purposes certain Sub-Funds of the UCITS may be classified as either (i) an ESG Oriented Fund; or (ii) an ESG Focused Fund.

If a Sub-Fund is classified as either an ESG Oriented Fund or an ESG Focused Fund, a clear indication of this classification (along with additional SFDR-related disclosure) will be made in the Supplement for the relevant Sub-Fund. As a default, and in the absence of such clear indication, each Sub-Fund will not be classified as an ESG Oriented Fund or an ESG Focused Fund.

2.16.2 Integration of Sustainability Risks into Investment Decisions

As part of the process to undertake appropriate due diligence on investments, the Investment Manager will generally conduct a level of research on each company or issuer which will give the Investment Manager an understanding of the company or issuer. This will typically include a consideration of fundamental and quantitative elements such as financial position, liquidity, solvability, capital structure or revenue. Where relevant, this will also involve qualitative and non-financial elements such as the company's or issuer's approach to ESG factors and consideration of Sustainability Risks.

The Investment Manager integrates an assessment of Sustainability Risks into its investment processes for each Sub-Fund (including those not classified as an ESG Oriented Fund or an ESG Focused Fund). This will occur both initially and on an ongoing basis for the duration of the period the Sub-Fund holds an investment or pursues a particular investment strategy. However, unless stated in the relevant Supplement that the Sub-Fund is classified as an ESG Oriented Fund or an ESG Focused Fund, an accentuated ESG investment process or enhanced exclusionary screening methodology will not be applied in respect of the Sub-Fund.

The Investment Manager may rely on third-party ESG data or research providers to produce any ESG-related analysis. Such data or research may be imprecise, incorrect or unavailable and the resulting analysis or use of such data by the Investment Manager may be impacted.

This assessment is based on the inclusion of Sustainability Risks in the Investment Manager's due diligence processes, forecasting, exclusionary screening methods and / or analysis based on currently available ESG data. Once these factors have been taken into account, in combination with the fact that it is considered that Sustainability Risks may be factored into the price of an underlying instrument and that the risk factors as described in these Investment Conditions under the heading "**Risk Factors**" will have been assessed, it is not considered likely that ongoing, identifiable Sustainability Risks will materially alter the return profile of a Sub-Fund. Further, it is acknowledged that exceptional or unpredictable Sustainability Risk events may occur, which may impact this ongoing assessment. It is considered that the policies adopted by the Investment Manager to assess and mitigate Sustainability Risks may mitigate such risks to the UCITS. Investors should note the Investment Manager's assessment of ESG characteristics may change over time and the ESG conclusions of the Investment Manager might not reflect the ESG views of investors.

For the avoidance of doubt, Sustainability Risks are one of several factors considered as part of a broader assessment when making investment decisions.

Further details on the Investment Manager's approach to ESG integration and sustainability-related stewardship can be found on the Investment Manager's website.

3 Unit Dealings

3.1 SUBSCRIPTION FOR UNITS

Subject to receipt of a valid subscription request for Units and compliance with the relevant requirements for subscription in a Sub-Fund, a subscriber becomes a Unitholder and starts its participation in the Units performance on and from the relevant Dealing Day.

A subscriber may not withdraw its subscription request once it has been submitted and received by the Depositary, unless the UCITS or the Management Company, acting in the best interests of the Unitholders, determines to permit the withdrawal of such request in whole or in part.

Where provided for in the relevant Supplement, each applicant must satisfy the Minimum Initial Investment Amount applicable to the relevant Class and each Unitholder must retain Units equivalent to the Minimum Unitholding applicable to each Class. Any subsequent subscription for Units in a Class must also meet the

Minimum Additional Investment Amount, if any, specified in the relevant Supplement. For the purposes of calculating the Minimum Initial Investment Amount and the Minimum Unitholding, the Depositary is permitted to aggregate investments received from the same financial institution.

The Management Company reserves the right to waive any requirements relating to the Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Unitholding as and when they determine, at their reasonable discretion.

3.1.1 Dealing Deadline

Subscriptions for Units received and accepted by the Depositary prior to the relevant Dealing Deadline for a Sub-Fund in respect of a particular Dealing Day will normally be processed as at that Dealing Day. Dealing Days and Dealing Deadlines relating to each Sub-Fund are specified in the relevant Supplement. Any subscriptions for Units received after the relevant Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Management Company in its discretion otherwise determines to accept one or more applications received after the Dealing Deadline but prior to the Valuation Point for that particular Dealing Day.

3.1.2 Issue Price

During the Initial Offer Period or the Initial Subscription Day, the Initial Issue Price for Units in the relevant Class shall be the amount set out in the relevant Supplement.

Thereafter, Units shall be issued at the Net Asset Value per Unit of the relevant Class on the relevant Dealing Day, determined in accordance with the provisions set out in the section entitled Valuation Principles, adjusted (where applicable) for an amount to reflect any anti-dilution levy and/or Duties and Charges.

Where provided for in the relevant Supplement, a Subscription Fee on the issue of Units may be payable. This charge will be in addition to any anti-dilution levy which may be imposed. It should be noted that the amount paid for Units issued could exceed their value on the day of issue.

Further details regarding the Subscription Fee are set out in the section entitled Fees and Expenses.

3.1.3 Payment for Units

Payment in respect of the issue of Units is to occur by direct debit by the Subscription Payment Date specified in the relevant Supplement. In order to trigger payment successfully, the subscriber must ensure that its bank account contains sufficient funds on such date. Payments must be made in cleared funds in the currency of denomination of the relevant Class.

3.1.4 Failure to Pay

Unless the UCITS or the Management Company on behalf of the UCITS determines otherwise, no Units will be issued until the relevant subscription amount has been received in full by the Sub-Fund.

The subscriber for Units shall be liable to the UCITS for, and shall indemnify it against, any loss, cost, expense or fee incurred by it or the relevant Sub-Fund arising out of the non-receipt or non-clearance of the relevant subscription amount by the relevant Subscription Payment Date. For the avoidance of doubt, the subscriber shall not be entitled to any profit or benefit accrued by the UCITS in respect of such non-receipt or non-clearance of the relevant subscription amount.

3.1.5 Issue of Units

Units will be denominated in the currency specified in the Supplement.

Title to Units will be evidenced by entering the Unitholder's name on the unit register and no certificates will be issued. Written confirmation of entry on the unit register will be issued where specifically requested by a Unitholder.

Purchase contract notes will normally be issued within 48 hours after the issue of Units.

3.1.6 Fractions of Units

Fractions of Units up to three decimal places may be issued. Subscription amounts representing smaller fractions of Units will not be returned to the subscriber but will be retained as part of the assets of the relevant Sub-Fund and accordingly available to Unitholders of the Sub-Fund on a pro rata basis based on each Unitholder's holding of Units.

3.1.7 Hard and soft closure of Classes of Units

The Management Company may close some or all of the Classes in a Sub-Fund to subscriptions from existing and/or new Unitholders if the assets attributable to the Sub-Fund are at a level, above which, as determined by the Management Company, it is not in the best interests of Unitholders to accept further subscriptions – for instance where the size of the Sub-Fund may constrain the ability of the Management Company or an Investment Manager to meet the investment objective.

The Management Company may subsequently re-open some or all of the Classes in the Sub-Fund to further subscriptions from existing and/or new Unitholders at their discretion and the process of closing and potentially re-opening the Classes may be repeated thereafter as the Management Company may determine from time to time. A notice regarding the closing and potentially re-opening of Classes will be published on the LAFV website. Closing

the Classes to new subscriptions from existing and/or new Unitholders will not affect the redemption rights of Unitholders in such Classes and such closure will not be classified as a suspension of dealing in the relevant Class.

3.1.8 Limitations on Subscriptions

Units may not be issued or sold by the UCITS during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section entitled Suspension of Calculation of Net Asset Value below. Subscribers for Units will be notified of such postponement and the subscription request will be rejected. The Depositary will not accept new subscription requests during the period of such suspension.

3.1.9 Anti-Money Laundering Provisions

The Management Company and the Depositary must comply with the provisions of the Liechtenstein Due Diligence Act (Sorgfaltspflichtgesetz) and the associated Due Diligence Ordinance (Sorgfaltspflichtverordnung) as well as the FMA directives, communications and fact sheets, as amended. Furthermore, the Management Company shall procure that the national distribution agents are obligated to comply with the said provisions.

Where any domestic distributors themselves accept money from investors, they are under a duty of care in accordance with the Due Diligence Act and the Due Diligence Ordinance to identify the subscriber or contracting parties, to ascertain the beneficial owner, to create a profile of the business relationship and to comply with any and all local provisions for the prevention of money laundering.

Measures aimed at the prevention of money laundering and terrorist financing, require a detailed verification of a subscriber's identity, address and source of funds and where applicable the beneficial owner of the subscriber and/or of any underlying investor on whose behalf Units are being acquired. Politically exposed persons ("**PEPs**"), defined as individuals who are or have, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons know to be close associates of such persons, and must be specifically identified.

The UCITS or the Depositary reserve the right to request such information as is necessary to verify the identity of a subscriber for Units and where applicable the beneficial owner of the subscriber and in a nominee arrangement, the beneficial owner of the Units in the relevant Sub-Fund. In particular, the UCITS or the Depositary reserve the right to carry out additional procedures in relation to any subscriber or investor who is classed as a PEP.

AML-Initial Application

Verification of the investor's identity is required to take place before the establishment of the business relationship and no Units will be issued until anti-money laundering verification checks have been conducted to the Depositary's and UCITS's satisfaction.

The types of documentation that may be requested by the Depositary in order to comply with anti-money laundering prevention checks will vary depending on whether the subscriber is an individual investor or a corporate investor.

In the event of delay or failure by a subscriber to produce any information required for anti-money laundering verification purposes, the Depositary may refuse to accept the subscription and/or payment of Redemption Proceeds may be delayed (no Redemption Proceeds will be paid if the Unitholder fails to produce such information).

None of the UCITS, the Management Company, the Investment Manager or the Depositary shall be liable where a subscription for Units is not processed due to a failure by the subscriber to provide the documentation requested by the UCITS or by the Depositary.

3.1.10 AML-Ongoing Monitoring

The Depositary will also conduct ongoing monitoring of the business relationship with Unitholders in order to comply with the applicable Liechtenstein anti-money laundering obligations and may require additional or refreshed anti-money laundering verification documentation on request.

The UCITS or the Depositary may refuse to pay or delay payment of Redemption Proceeds where the requisite information for ongoing AML monitoring and verification purposes has not been produced by a Unitholder.

For further information regarding the actions which the UCITS may take in circumstances where a Unitholder fails to comply with the UCITS and Depositary's ongoing AML verification checks, please refer to the section below titled Payment of Redemption Proceeds.

3.1.11 Beneficial Ownership Regulations

The UCITS or the Depositary may request information as may be required for the establishment and maintenance of the UCITS's beneficial ownership register in accordance with the Beneficial Ownership Regulations.

Under the Beneficial Ownership Regulations, the UCITS shall be obliged to file certain information about its beneficial owners (including name, nationality, and country of residence, social security number and details of interest held in the UCITS) with a central register.

3.1.12 Data Protection

Subscribers should note that, by virtue of making an investment in the UCITS and the associated interactions with the UCITS and its affiliates and delegates (including subscribing and including the recording of electronic communications or phone calls, where applicable), or by virtue of providing the UCITS with personal information on individuals connected with the subscriber (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the UCITS and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The UCITS shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Management Company, Depositary, Administrator, Investment Manager or any sub-distributor may act as data processors (or joint data controllers in some circumstances).

The UCITS has prepared a document outlining the UCITS's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

A copy of the Privacy Notice is available on www.lgtcp.com/en/privacy_policy.

The Privacy Notice contains information on the following matters in relation to data protection:

- that subscribers will provide the UCITS with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the UCITS;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the UCITS's policy for retention of personal data;
- contact details for further information on data protection matters.

Given the specific purposes for which the UCITS and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the UCITS has considered this to be necessary for the purposes of its or a third party's legitimate interest.

3.2 REDEMPTION OF UNITS

Subject to any limits which may be specified herein, a Unitholder may request the redemption of all or part of its Units on any Dealing Day.

Requests for the redemption of Units should be made to the Depositary prior to the Dealing Deadline for the relevant Dealing Day as specified in the relevant Supplement.

Redemption requests shall only be processed where payment is requested to be made to the account of record and where all necessary anti-money laundering and other verification documentation required by the UCITS and Depositary has been received and processed by the Depositary. The Depositary will not accept redemption requests, which are incomplete, until all the necessary information is obtained.

Requests received on or prior to the Dealing Deadline specified in the relevant Supplement will, subject to the provisions outlined in the section entitled Limitations on Redemptions below, normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline will normally be treated as having been received by the following Dealing Deadline. The Management Company may, on an exceptional basis, accept redemption requests received after the Dealing Deadline provided that these requests have been received before the relevant Valuation Point.

The Management Company may, in its absolute discretion, agree to designate additional Dealing Days and Valuation Points for the redemption of Units relating to any Sub-Fund.

3.2.1 Redemption Price

Units will be redeemed at the Net Asset Value per Unit of the relevant Class on the relevant Dealing Day and shall be repaid to redeeming Unitholders at the Redemption Price or, where provided for in the relevant Supplement at the Redemption Price less any Redemption Fee payable. The Redemption Fee is independent of and may be charged in addition to any anti-dilution levy and/or Duties and Charges which may be imposed.

Potential investors should note that payments received for Units redeemed could be less than the Net Asset Value per Unit on the relevant Dealing Day.

3.2.2 Payment of Redemption Proceeds

Payment of Redemption Proceeds will be made at the risk and expense of the relevant Unitholder to the account of the registered Unitholder.

Redemption Proceeds are payable in the Base Currency of the relevant Class (or in such other currency as the Management Company shall determine) by the Redemption Payment Date.

Redemption Proceeds will only be paid provided all necessary anti-money laundering verification documentation have been provided to the Depositary.

The UCITS or the Depositary may refuse to pay or delay payment of Redemption Proceeds, beyond the Redemption Payment Date, where, for example, the requisite information for ongoing AML monitoring and verification purposes has not been produced by a Unitholder. In such circumstances where a redemption request is received, the Depositary may process the redemption request received from the relevant Unitholder, however, the proceeds of that redemption will be held until such time as the Depositary and UCITS are satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which Redemption Proceeds will be released.

3.2.3 Limitations on Redemptions

Where the number of Units to be redeemed on any Dealing Day represents more than 10% of the total number of Units of the relevant Sub-Fund in issue on that Dealing Day, or more than 10% of the Net Asset Value of the relevant Sub-Fund on that Dealing Day, the UCITS may, in its discretion (acting in the best interest of Unitholders), limit the aggregate redemptions processed on that Dealing Day to 10% of the total number of Units in issue or 10% of the Net Asset Value (as applicable) (a "**Redemption Gate**"). In such case, redemption requests received for that Dealing Day shall be reduced pro rata so that the applicable limit is not exceeded, and only the resulting pro-rated portion of each redemption request will be executed on that Dealing Day. Any portion of a redemption request that is not executed due to the Redemption Gate shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Units to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be treated equally with all other Unitholders seeking timely redemption of their Units on that Dealing Day.

3.2.4 Redemption in kind

Upon request and with the consent of the relevant Unitholder, the UCITS or the Management Company may, at their sole discretion, make payment of the Redemption Price to a Unitholder in specie (payment in kind). In such cases, assets from the Sub-Fund's portfolio are transferred to the Unitholder in an amount equal to the Net Asset Value of the redeemed Units as of the relevant Dealing Day. The value of the assets is calculated for the relevant Dealing Day as described in section Calculation of the Net Asset Value. The nature and type of assets to be transferred in specie to a Unitholder shall be determined by the UCITS or the Management Company (subject to the approval of the Depositary as to the allocation of assets) on such basis as the UCITS or the Management Company shall deem equitable.

3.2.5 Compulsory Redemptions

Unitholders are required to notify the UCITS immediately if they become aware that they cease to fulfil the eligibility criteria for a particular Class and such Unitholders may be requested to redeem their Units. Failure to take such action as required by the UCITS within the timeframe specified may result in the UCITS or the Management Company, at their discretion, in coordination with the Depositary compulsorily redeeming the Units held by the Unitholder.

The UCITS or the Management Company may also compulsorily redeem Units in the following circumstances:

- if it is in the best interest or for the protection of the Unitholders, the UCITS and/or a Sub-Fund;
- if a Unitholder does not supply any information or declarations (including for the avoidance of doubt anti-money laundering documents) requested by the UCITS or its delegate;
- if a Unitholder, other than as a result of depreciation in the value of his holding, holds less than the Minimum Unitholding for a particular Sub-Fund or Class;
- if a Unitholder is or appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units;
- if a Unitholder is or becomes a U.S. Person or has acquired such Units on behalf of or for the benefit of a U.S. Person (unless pursuant to an exemption under U.S. securities laws);
- if a Unitholder holds units in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the UCITS or the Management Company to be relevant) in the opinion of the UCITS or the Management Company might result in the UCITS or the relevant Sub-Fund

incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the UCITS or the relevant Sub-Fund might not otherwise have incurred, suffered or breached;

- where such redemption is required for the purpose of satisfying any Performance Fee payable by that Unitholder to the Management Company or an Investment Manager.

The decision to effect a compulsory redemption in the circumstances above, is solely at the discretion of the UCITS or the Management Company.

All of the Units in a particular Sub-Fund or Class may be redeemed in circumstances where the relevant Sub-Fund or Class is being terminated in line with the process outlined in the section entitled Closure of Sub-Funds or Classes below.

In all cases of compulsory redemption, the UCITS or the Management Company retain the right to determine the Dealing Day for the redemption.

Where relevant, the UCITS, in coordination with the Depositary, may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising to the UCITS as a result of the holding or beneficial ownership of Units by a Unitholder including any interest or penalties payable thereon.

3.2.6 Temporary Suspension of Redemptions

The Management Company may declare a temporary suspension of redemptions in any Sub-Fund in any of the circumstances listed in the section entitled Suspension of Calculation of Net Asset Value.

A suspension of redemptions may correspond with a suspension of the calculation of the Net Asset Value of the relevant Sub-Fund. However, calculation of the Net Asset Value of a Sub-Fund shall be possible notwithstanding any suspension of dealing.

Unitholders will be notified of any such suspension and Unitholders who have submitted redemption requests may withdraw such requests provided that notice of withdrawal is received by the Depositary prior to the termination of the suspension. Unless withdrawn, redemption requests will be processed on the first Dealing Day for the relevant Sub-Fund after the suspension has been lifted.

3.2.7 Side Pockets

Units held in a Side Pocket are redeemable only at the discretion of the Management Company. Where a Unitholder submits a redemption request for Units in respect of a Dealing Day and, either (i) between such submission and such Dealing Day or (ii) on that same Dealing Day, the Management Company decides to create a Side Pocket as described above in the sub section entitled Classes of Units, the creation of the Side Pocket shall be deemed to occur first in time and such redemption request shall be deemed to apply only to the redeemable Units held by that Unitholder following the creation of Side Pocket then the redemption of such Units will be in accordance with the process described in the sub sections titled Side Pockets.

4 Valuation Principles

4.1 CALCULATION OF NET ASSET VALUE

The Net Asset Value of a Sub-Fund, and if there are different Classes, each Class will be calculated by the Administrator as at the Valuation Point with respect to each Valuation Day.

The Net Asset Value of a Sub-Fund shall be calculated by ascertaining the value of the assets of the Sub-Fund and deducting therefrom the liabilities of the Sub-Fund (excluding Unitholders equity) as at the Valuation Point for the relevant Valuation Day. The Net Asset Value per Class shall be determined by notionally allocating the Net Asset Value of the Sub-Fund amongst the Classes making such adjustments for subscriptions, redemptions, fees, dividends accumulation or distribution of income and the expenses, liabilities or assets attributable to each such Class (including the gains/losses on and costs of financial instruments employed for currency hedging between the currencies in which the assets of the Sub-Fund are designated and the designated currency of the Class, which gains/losses and costs shall accrue solely to that Class) and any other factor differentiating the Classes as appropriate.

The Net Asset Value per Unit will be calculated as at the Valuation Point on or with respect to each Valuation Day by dividing the Net Asset Value of the relevant Sub-Fund or attributable to a Class by the number of Units in the Sub-Fund then in issue or deemed to be in issue in the relevant Sub-Fund or Class at the relevant Valuation Point and rounding the result to three decimal places or such other number of decimal places as may be determined by the Management Company from time to time.

The Net Asset Value of a Sub-Fund, Class or Unit will be expressed in the currency in which the Sub-Fund, Class or Unit is designated or such other currency as the Management Company may determine from time to time.

4.2 VALUATION OF ASSETS

The assets of a Sub-Fund will be valued as at the Valuation Point on the relevant Valuation Day in the following manner:

(a) Assets listed or traded on a Regulated Market (other than those referred to at (e) below) for which market quotations are readily available shall be valued at the last traded price. Where a security is listed or dealt in on more than one Regulated Market, the relevant exchange or market shall be the one which constitutes the main market or the one which the Management Company determines provides the fairest criteria in determining the value for the relevant investment. Assets listed or traded on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realization value of the security.

(b) The value of any security which is not quoted, listed or dealt in on a Regulated Market, or which is so quoted, listed or dealt but for which the market price is unrepresentative or not available, shall be the probable realization value as estimated with care and in good faith by (i) the Management Company or (ii) a competent person, firm or corporation selected by the Management Company and approved for the purpose by the Depositary (for the avoidance of doubt, such competent professional may be related to the Management Company) or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by any party referred to in (i) (ii) or (iii) above. The securities used in the matrix must be comparable in rating, yield, due date and other characteristics. Matrix pricing shall not ignore a reliable market quotation.

(c) Cash on hand or on deposit will be valued at its nominal/face value plus accrued interest, where applicable.

(d) Notwithstanding paragraph (a) above, units in collective investment schemes shall be valued at the latest available net asset value per unit or the latest bid price as published by the relevant collective investment scheme or, if listed or traded on a Regulated Market, in accordance with (a) above.

(e) Exchange-traded derivative instruments will be valued daily at the settlement price for such instruments, as determined by the market in question. If such price is not available, such value shall be the probable realization value estimated with care and in good faith by any party as described in points (i) – (iii) of paragraph (b) above. Over-the-counter derivative contracts shall be valued daily on the basis of a quotation provided by the relevant counterparty (on the basis of a means of valuation that provides reasonable accuracy on a reliable basis) and such valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Alternatively, an over-the-counter derivative contract may be valued daily on the basis of a quotation from an independent pricing vendor with adequate means to perform the valuation or any party as described in points (i) – (iii) of paragraph (b) above. Where this alternative valuation is used, the Management Company must follow international best practice and adhere to the principles on such valuations established by bodies such as the International Organisation of Securities Commissions and the Alternative Investment Management Association. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise, these must be promptly investigated and explained.

(f) Forward foreign exchange and interest rate swap contracts shall be valued in the same manner as OTC Derivative contracts in accordance with (e) above, or by reference to freely available market quotations.

(g) Notwithstanding the provisions of paragraphs (a) to (f) above:

For the valuation of money market funds, the following rules shall apply additionally.

The assets of a money market fund shall be valued on at least a daily basis. The assets of a money market fund shall be valued by using mark-to-market whenever possible.

When using mark- to-market:

- the asset of a money market fund shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market;
- only good quality market data shall be used; such data shall be assessed on the basis of all of the following factors:
    - the number and quality of the counterparties;
    - the volume and turnover in the market of the asset of the money market fund;
    - the issue size and the portion of the issue that the money market fund plans to buy or sell.

Where the use of mark-to-market is not possible or the market data is not of sufficient quality, an asset of a money market fund shall be valued conservatively by using the mark-to-model. The model shall accurately estimate the intrinsic value of the asset of a money market fund, based on all of the following up-to-date key factors:

- the volume and turnover in the market of that asset;
- the issue size and the portion of the issue that the money market fund plans to buy or sell;
- market risk, interest rate risk, credit risk attached to the asset.

When using mark-to-model, the amortized cost method must not be used.

(h) Notwithstanding the generality of the foregoing, the Management Company may adjust the value of any investment if, taking into account currency, marketability, dealing costs and/or such other considerations as they may deem relevant, such as applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof. The Management Company shall clearly document the rationale for adjusting the value of any such investments.

(i) If in any case a particular value is not ascertainable as provided above or if the Management Company shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Management Company in its absolute discretion shall determine.

The Management Company has delegated to the Administrator and have authorized the Administrator to consult with the Management Company in connection with the determination of Net Asset Value and the Net Asset Value per Unit of each Class of each Sub-Fund.

The Management Company may instruct the Administrator to recalculate a previously calculated Net Asset Value for a Sub-Fund where they have determined that the Net Asset Value for the Sub-Fund has not been calculated correctly in accordance with the valuation provisions and may instruct the Administrator to make appropriate adjustments to the register to reflect the revised Net Asset Value and/or take such other steps as are deemed necessary in the circumstances.

4.3 LIABILITIES

The liabilities of each Sub-Fund shall be deemed to include any and all actual or estimated liabilities of the relevant Sub-Fund (except liabilities taken into account in determining the value of the assets of the Sub-Fund), including, without limitation, the following:

- the remuneration and expenses of the Management Company, the Administrator, the Depositary, any Investment Manager, any distributor, the Auditor and any other providers of services to the UCITS or the relevant Sub-Fund (including without limitation any Performance Fee payable as described in the relevant Supplement), accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
- the total amount (whether actual or estimated) of any liabilities properly payable out of the assets of the relevant Sub-Fund including, without limitation, all establishment expenses, all organizational expenses and all other operational and ongoing fees, costs and expenses;
- any and all outstanding borrowings of the Sub-Fund including, all interest, fees and expenses payable on such borrowings;
- taxation and duty payable (or estimated to be payable) by the Sub-Fund in respect of its assets, income or expenses;
- legal and other professional fees and expenses incurred in any proceedings instituted or defended to enforce, protect, safeguard, defend or recover the rights or assets of the Sub-Fund;
- an amount representing the projected liability of the relevant Sub-Fund in respect of costs and expenses to be incurred by the Sub-Fund in the event of a closure of that Sub-Fund;
- all other liabilities of the Sub-Fund of whatsoever kind and nature including an appropriate provision for taxes (other than taxes taken into account as Duties and Charges) and contingent liabilities as determined by the Management Company, from time to time, in each case together with any applicable value added tax.

In determining the amount of such liabilities, the Management Company may calculate administrative, operational and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

4.4 NAV-BASED ADJUSTMENTS

4.4.1 Swing Pricing

Where specified in the relevant Supplement, the UCITS or the Management Company on behalf of the UCITS may

determine to apply a swinging single pricing mechanism (the "**Swing Factor**") for dealing with performance dilution issues that arise when a fund experiences large inflows, where on any Dealing Day the value of all applications for Units received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day ("**Net Subscriptions**"), or outflows, where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Units received for that Dealing Day ("**Net Redemptions**"), in order to preserve the value of the Units held by existing Unitholders and to ensure that long-term Unitholders are not materially disadvantaged.

The primary goal of the application of the Swing Factor to adjust the Net Asset Value of a Sub-Fund is to cover the transaction costs, tax burdens or bid/offer spreads that are incurred by the relevant Sub-Fund due to the receipt of Net Subscriptions or Net Redemptions for a particular Sub-Fund. Existing Unitholders are not required to bear these costs, as these costs are directly integrated into the calculation of the Net Asset Value and are therefore borne by incoming and outgoing Unitholders.

The adjustments to the Net Asset Value of the relevant Sub-Fund shall be identical for all subscriptions/redemptions dealt with as of that Dealing Day.

Where specified in the relevant Supplement and unless the Management Company determines otherwise, the Net Asset Value of a Sub-Fund may be adjusted in the following circumstances:

(a) on a Sub-Fund experiencing Net Subscriptions, the Net Asset Value may be adjusted upwards by the Swing Factor set by the Management Company from time to time;

(b) on a Sub-Fund experiencing Net Redemptions, the Net Asset Value may be adjusted downwards by the Swing Factor set by the Management Company from time to time;

(c) in any other case where the Management Company is of the opinion that it is in the interests of existing/remaining Unitholders and potential Unitholders that the Net Asset Value be adjusted.

The Swing Factor may be applied either (i) only on Dealing Days where Net Subscriptions or Net Redemptions exceed a certain pre-determined threshold (the "**Swing Threshold**") (often referred to as "partial" swing pricing) or (ii) irrespective of the extent of Net Subscriptions or Net Redemptions (often referred to as "full" swing pricing), as specified in the relevant Supplement and determined by the Management Company from time to time.

Under the swinging single pricing policy, the swinging single pricing committee (the "**SSP Committee**") decides upon the application of single swinging pricing to the Sub-Funds, the effective Swing Threshold and sets the Swing Factors based on an assessment of the above listed costs incurred in the relevant markets. The SSP Committee meets at least semi-annually, and ad-hoc as deemed necessary (such as in the case of substantial changes in financial market conditions or in the case of material changes to the Sub-Funds' investment policy). The SSP Committee takes into account and may rely upon advice by investment and risk management experts within or outside LGT Group. Information relating to any Swing Factor which may be applied shall be disclosed in the relevant Supplement.

4.4.2 Anti-Dilution Levy

Where a Sub-Fund buys or sells investments, or invests or divests from them, in response to an application for the issue or redemption of Units, this generally incurs costs.

Where disclosed in the relevant Supplement, the Management Company may charge an anti-dilution levy (the "**Anti-Dilution Levy**"), the aim of which is to reduce the impact of such costs (which, if material, disadvantage existing Unitholders of the relevant Sub-Fund) so as to preserve the underlying assets of the relevant Sub-Fund.

The application and level of the Anti-Dilution Levy will depend, amongst other things, on general market liquidity of the Sub-Fund's investments and on the net Unit transactional activity of Units on any given Dealing Day, and this will be evaluated by the Management Company and implemented by the Administrator without prior notification to the relevant Unitholder. Net Unit transactional activity is determined with reference to the cumulative subscription and redemption requests (including subscriptions and/or redemptions which would be affected as a result of exchanges from one Sub-Fund into another Sub-Fund) processed in respect of any given Dealing Day.

For the purpose of determining and calibrating the Anti-Dilution Levy, the Management Company shall take into account the estimated explicit transaction costs attributable to the Net Subscriptions or Net Redemptions and, where appropriate to the investment strategy of the Sub-Fund, shall also take into account implicit transaction costs, including any significant market impact, estimated on a best-efforts basis.

4.5 SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Management Company may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund and suspend the issue and redemption of Units or suspend the payment of redemption proceeds during:

(a) any period when any of the Regulated Markets on which a substantial portion of the assets of the relevant Sub-Fund, from time to time, are quoted,

listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or

(b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Management Company, disposal or valuation of a substantial portion of the assets of the relevant Sub-Fund is not reasonably practicable without this being detrimental to the interests of Unitholders of the relevant Sub-Fund or if, in the opinion of the Management Company, the Net Asset Value of the Sub-Fund cannot be fairly calculated; or

(c) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the assets of the relevant Sub-Fund, or when, for any other reason, the current prices on any Regulated Market of any of the investments of the relevant Sub-Fund cannot be promptly and accurately ascertained; or

(d) any period during which any transfer of funds involved in the realization or acquisition of assets of the relevant Sub-Fund cannot, in the opinion of the Management Company, be affected at normal prices or rates of exchange; or

(e) any period when the Management Company is unable to repatriate funds required for the purpose of making payments due on the redemption of Units in the relevant Sub-Fund; or

(f) any period when the Management Company considers it to be in the best interest of the relevant Sub-Fund; or

(g) where necessary to facilitate the winding up of the UCITS or the closing or termination of any Sub-Fund or Class or the compulsory redemption of Units by the UCITS.

Whenever the calculation of the Net Asset Value of any Sub-Fund is suspended, the issue and redemption of Units will be suspended as well until resumption of the calculation of such Net Asset Value.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any such suspension will be notified without delay to the FMA and will be communicated to the competent authorities in the countries in which the relevant Sub-Fund markets its Units. Details of any such suspension will also be notified to all Unitholders.

Unitholders who have requested the issue or redemption of Units in any Sub-Fund (or Class thereof) will be notified of any such suspension in such manner as may be directed by the Management Company and, unless withdrawn, their requests will be dealt with on the first Dealing Day for the relevant Sub-Fund after the suspension is lifted.

5 Management and Administration of the UCITS

5.1 BOARD OF DIRECTORS OF THE UCITS

The powers of management of the UCITS are vested in the Board of Directors pursuant to the Articles. The Board of Directors has delegated the day-to-day management of each Sub-Fund to the Management Company. The Board of Directors will review the operations of the UCITS at meetings held at least quarterly and will receive periodic reports from the Management Company detailing the performance of the UCITS and providing an analysis of its investment portfolio. The Management Company will provide such other information as may from time to time be reasonably required by the Board of Directors for the purpose of such meetings.

5.2 DELEGATION TO COMMITTEE

The Board of Directors may delegate any of their powers to any committee comprising at least one Director. Any such delegation may be made subject to any conditions the Board of Directors may impose. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of the Board of Directors so far as they are capable of applying.

5.3 MANAGEMENT COMPANY

The UCITS has appointed LGT Capital Partners (FL) Ltd. as Management Company to the UCITS, pursuant to the Management Agreement. The Management Company was incorporated in Liechtenstein on 1 September 1998 as a public limited company (Aktiengesellschaft) under the laws of Liechtenstein.

The Management Company is authorized by the FMA to act as a fund management company pursuant to chapter III of the UCITS Act.

Under the terms of the Management Agreement, the Management Company has responsibility for the management and administration of the UCITS's affairs and the global distribution of the Units, subject to the overall supervision and control of the Board of Directors.

Pursuant to the provisions of the Management Agreement, the Management Company may delegate one or more of its functions.

Further information regarding the terms of the Management Agreement is set out in the section entitled Material Contracts.

5.4 INVESTMENT MANAGER

The Management Company has appointed LGT Capital Partners Ltd. as investment manager to manage certain Sub-Fund investments. LGT Capital Partners Ltd. is a traditional investment management company founded in Switzerland on 30 November 2000 and its registered office is at Schützenstrasse 6, P.O. Box, CH – Pfäffikon (SZ), Switzerland. LGT Capital Partners Ltd. is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

Pursuant to the provisions of the Investment Management Agreement, LGT Capital Partners Ltd. may delegate one or more of its functions.

LGT Capital Partners Ltd. has partially delegated the investment decisions for the Sub-Funds to LGT Capital Partners (Asia-Pacific) Ltd., 4203, Two Exchange Square, 8 Connaught Place Central, Hong Kong and to LGT Capital Partners (USA) Inc., 1133 Avenue of the Americas, 30th Floor, New York, NY 10036, USA.

The Management Company has also appointed LGT Investment Management GmbH as investment manager to manage certain Sub-Fund investments. LGT Investment Management GmbH was founded in Austria on 13 December 2022 as a wholly owned subsidiary of LGT Bank AG, Liechtenstein. Its registered office is at Renngasse 6-8, 3rd Floor, 1010 Vienna, Austria. LGT Investment Management GmbH is regulated by the Austrian Financial Market Authority (FMA Austria) and licensed to perform the following services pursuant to the Austrian Securities Supervision Act 2018 (Wertpapieraufsichtsgesetz 2018, "**WAG 2018**"):

- Investment advice (§ 3 Abs 2 Z 1 WAG 2018) or foreign equivalent;
- Portfolio management (§ 3 Abs 2 Z 2 WAG 2018) or foreign equivalent;
- Acceptance and transmission of orders (§ 3 Abs 2 Z 3 WAG 2018) or foreign equivalent.

Furthermore, LGT Investment Management GmbH possesses European passports (GER, LUX, LIEC) for the provision of cross-border investment services in the course of the freedom to provide services and freedom of establishment (§ 17 ff WAG 2018) or foreign equivalent.

Further information regarding the terms of the Investment Management Agreement is set out in the section entitled Material Contracts.

5.5 INVESTMENT ADVISOR

An Investment Advisor may be appointed in respect of a specific Sub-Fund. Where an Investment Advisor is paid directly out of the assets of the relevant Sub-Fund, details of such Investment Advisor and fees paid to such entity shall be set out in the relevant Supplement. Details of any Investment Advisor whose fees are not paid directly out of the assets of the relevant Sub-Fund shall be available to Unitholders upon request.

5.6 DEPOSITARY

The UCITS has appointed LGT Bank Ltd. as depositary of all of its assets pursuant to the Depositary Agreement.

The role of the Depositary is governed by the Regulations, the Commission Delegated Regulation (EU) No 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries, the Depositary Agreement, the Constituent Documents. The Depositary shall act independently from the Management Company and exclusively in the best interests of the Unitholders.

In accordance with the law and the depositary agreement, the Depositary is responsible for (i) the general supervision of all assets of the UCITS or its Sub-Funds and (ii) the safekeeping of assets of the UCITS or its Sub-Funds and (iii) the administrative activities in connection with the relevant obligations.

The Depositary shall maintain the UCITS' Unit register on behalf of the Management Company.

Unitholders should note that the effect of the segregation of assets, which is generally prescribed, might, in the event of bankruptcy, not be recognized in certain jurisdictions with regard to the assets which are subject to seizure by such jurisdiction. The Management Company and the Depositary shall cooperate to avoid safekeeping of assets in such jurisdictions.

The Depositary submits to the provisions of the Liechtenstein FATCA Agreement and the related implementing provisions under the Liechtenstein FATCA Act.

The Depositary may, in accordance with, and subject to the terms of the Depositary Agreement and the Regulations, appoint certain entities as its delegates for the purposes of providing sub-custodial functions in accordance with the aforementioned decrees and regulations. Information about the depositary network and the sub-custodians, to which the Depositary has delegated the safekeeping of financial instruments eligible for safekeeping may be accessed via the following link: www.lgt.li/custodynetwork.

Up-to-date information regarding (i) the Depositary's identity; (ii) its duties and obligations; (iii) potential conflicts of interest associated with the activity of the Depositary; and (iv) its delegation of any of its duties, the list of delegates and any conflicts of interest that may arise from such delegation, will be provided to Unitholders on request.

Further information regarding the terms of the Depositary Agreement is set out in the section entitled Material Contracts.

5.7 ADMINISTRATOR

The Management Company has appointed LGT Financial Services Ltd. as the Administrator pursuant to the Administration Agreement.

The Administrator is responsible for fulfilling the general administrative responsibilities that arise in the context of the fund management as prescribed by Liechtenstein law, such as providing for fund accounting, calculating the Net Asset Value per Unit, Sub-Fund and Class, the subscription and redemption prices, accruing fees and expenses, calculating net income and dividends; effecting the payment of fees, expenses and dividends; preparing the annual and semi-annual reports and providing other services in accordance with the administrative services agreement between the Management Company and the Administrator.

The Management Company, and not the Administrator, is responsible for determining that the Units are marketed and sold in compliance with all applicable securities and other laws. The Administrator will not be responsible for ensuring that the investment transactions comply with the investment objectives and policies of the UCITS. Additionally, the Management Company and not the Administrator is responsible for monitoring of the UCITS's investment restrictions.

Further information regarding the terms of the Administration Agreement is set out in the section entitled Material Contracts.

5.8 AUTHORIZED DISTRIBUTORS

The Management Company may appoint authorized distributors in various countries. Some authorized distributors may have the right to appoint sub-distributors and distribution may be carried out through sales platforms.

5.9 SERVICE PROVIDERS

Local laws and regulations in EEA Member States may require the appointment of Service Providers.

Appendix 2 is dealing with matters pertaining specifically to Unitholders in certain jurisdictions which may be prepared for circulation to such Unitholders.

Details of the Service Providers appointed will be set out in Appendix 2.

6 Conflicts of Interest; Connected Party Transactions; Inducements and Commission Rebates

6.1 CONFLICTS OF INTEREST

The Board of Directors, the Management Company, the Investment Manager, an Investment Advisor, a sub-investment manager, the Administrator, the Depositary, and any of their respective subsidiaries, affiliates, associates, directors, shareholders, agents, employees or delegates (the "**Parties**"), are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the UCITS and/or their respective roles with respect to the UCITS or the Sub-Funds. These activities may include managing or advising other funds, including funds in which the Sub-Funds may invest, purchases and sales of financial instruments, banking and investment management services, brokerage services, currency hedging services, valuation of unlisted investments (in circumstances in which fees payable to the entity valuing such investments may increase as the value of the investments increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Sub-Funds may invest.

The Parties will devote as much of their time to their activities in relation to the UCITS as they deem necessary and appropriate.

There is no prohibition on transactions between the UCITS and the Parties and the UCITS may contract or enter into any financial, banking or other transaction with any of the Parties. This includes, without limitation, investment by the UCITS in securities of any of the Parties or investment by any of the Parties in any company or bodies any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. The Parties may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stock lending transactions) to or from the relevant Sub-Fund. There will be no obligation on the part of any of the Parties to account to the relevant Sub-Fund or to Unitholders of that Sub-Fund for any benefits so arising and any such benefits

may be retained by the relevant party, provided that such transactions are conducted at arm's length and in the best interests of Unitholders.

In addition, any of the Parties may invest in and deal in Units relating to any Sub-Fund or any property of the kind included in the property of any Sub-Fund for their respective individual accounts or for the account of someone else.

An overview of potential conflicts of interest in respect of the various Parties is detailed below. Investors should note, however, that the below does not purport to be a comprehensive list or complete explanation of all potential conflicts of interest that may affect the UCITS or the Sub-Funds. The UCITS may encounter circumstances or enter into transactions in which conflicts that are not discussed below may arise.

6.1.1 Board of Directors

The Board of Directors may engage in other business activities in addition to acting as Director to the UCITS. The Board of Directors is not required to refrain from any other activity or to account for any profits for any such activity to the UCITS.

In addition, a Director may be a party to, or otherwise interested in, any transaction or arrangement with the UCITS or in which the UCITS is interested, provided that he has disclosed to the other Directors, prior to the conclusion of any such transaction or arrangement the nature and of any material interest of his therein. Subject to the Articles, a Director shall not vote at a meeting of the Board of Directors or any committee established by the Board of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Units or debentures or other securities or otherwise in or through the UCITS) or a duty which conflicts or may conflict with the interests of the UCITS. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. For the avoidance of doubt, a Director shall be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever.

Provided that the nature and extent of his interest shall be disclosed as set out above, no Director or intending Director shall be disqualified by his office from contracting with the UCITS nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the UCITS for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

6.1.2 Management Company, Investment Manager and Investment Advisor

The Management Company, the Investment Manager or an Investment Advisor may advise or manage other funds and other collective investment schemes in which a Sub-Fund may invest, or which have similar or overlapping investment objectives to or with the Sub-Funds. The Management Company, the Investment Manager or an Investment Advisor may provide management or advisory services for accounts in which the Management Company, the Investment Manager or an Investment Advisor or their directors, shareholders, employees are the principal investors or beneficiaries (the "**Proprietary Accounts**"). Neither the Management Company, the Investment Manager nor an Investment Advisor or any of their affiliates are under any obligation to offer investment opportunities of which any of them becomes aware of, to the UCITS or to account to the UCITS in respect of any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities in its absolute discretion between the UCITS and other clients (which clients may include Proprietary Accounts).

The Management Company and its delegates and affiliates (including the Investment Manager or any Investment Advisor appointed by the Management Company from time to time) are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the UCITS and/or may involve substantial time and resources. These activities could be viewed as creating a conflict of interest in that the time and effort of the Management Company, its delegates and their officers and employees will not be devoted exclusively to the business of the UCITS but will be allocated between the business of the UCITS and such other activities. Future activities by the Management Company and its delegates and affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Management Company or the Investment Manager may be consulted by the Administrator in relation to the valuation of investments. There is a conflict of interest between any involvement of the Management Company or the Investment Manager in this valuation process and with the Management Company or the Investment Manager's entitlement to any proportion of a management fee, or where applicable Performance Fee, which fees are calculated on the basis of the Net Asset Value.

The Management Company or the Investment Manager or an Investment Advisor may have potential conflicts of

interest with the UCITS in circumstances other than those referred to above. In the event that a conflict of interest does arise, the directors of the Management Company will endeavor to ensure that such conflicts are resolved fairly.

6.1.3 Depositary

The Depositary and/or its affiliates may act as depositary to other funds. In addition, the UCITS, or the Management Company on behalf of the UCITS may maintain other business relationships with the Depositary or any of its affiliates or delegates, where the Depositary, its affiliates or delegates have a financial or business interest in such product or services or receives remuneration for other related products or services it provides to the UCITS or any Fund. Such services may include (but are not limited to) currency hedging services, brokerage services and provision of credit facilities to the UCITS or its Sub-Funds.

It is possible that the Depositary (or any of its affiliates) may, in the course of its business, be involved in other financial and professional activities which may on occasion have conflicts or potential conflicts of interest with those of the UCITS or a particular Sub-Fund. In the event of any potential conflict of interest, which may arise during the normal course of business, the Depositary will have regard to the applicable laws. Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the UCITS under the Depositary Agreement and will treat the UCITS and the other funds for which it acts fairly and in a manner that, so far as is practicable, any transactions are effected on terms which are not materially less favorable to the UCITS that if the conflict or potential conflict had not existed.

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 analyzing 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 maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
    - 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, making sure that operations are carried out at arm's length and/or informing the concerned Unitholders of the UCITS, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

6.1.4 Administrator

The Administrator and/or its affiliates may act as Administrator to other funds.

It is possible that the Administrator may, in the course of its business, be involved in other financial and professional activities which may on occasion have conflicts or potential conflicts of interest with those of the UCITS or a particular Sub-Fund. In the event of any potential conflict of interest, which may arise during the normal course of business, the Administrator will have regard to the applicable laws. Where a conflict or potential conflict of interest arises, the Administrator will have regard to its obligations to the UCITS under the Administrator Agreement.

6.1.5 Connected Party Transactions

A transaction will be deemed to be with a connected party where it is with; the Management Company, the Depositary, the Investment Manager or the delegates, sub-delegates or associated/group companies of those parties (excluding any non-group company sub-custodians appointed by the Depositary) (each a "**Connected Party**") (each transaction a "**Connected Party Transaction**").

There are no prohibitions on Connected Party Transactions, however, any such transaction must be conducted on an arm's length basis and in the best interests of Unitholders and must satisfy the following conditions:

(a) the value of such transaction is certified by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Management Company) as independent and competent; or

(b) execution is on best terms on an organized investment exchange under its rules; or

(c) execution is on terms which the Depositary (or, in the case of any such transaction entered into by the Depositary, the Management Company) is satisfied conforms with the principle that such transactions are conducted at arm's length and in the best interest of the Unitholders.

The Depositary (or the Management Company, in the case of transactions involving the Depositary), must document how it complied with paragraphs (a) – (c) above. Where transactions are conducted in accordance with paragraph (c), the Depositary, or the Management Company in the case of transactions involving the Depositary, must document their rationale for being satisfied that the transaction was conducted at arm's length and in the best interests of the Unitholders of the relevant Sub-Fund.

Dealings in Units of the UCITS on the terms set out in these Investment Conditions and the entry into service level agreements with Connected Parties shall not be deemed to be Connected Party Transactions.

The Management Company, or an associated company of the Management Company may invest in Units so that a Sub-Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Management Company or its associated company may hold a high proportion of the Units of a Sub-Fund or Class in issue. Details of the proportion of Units held by the Management Company will be made available to Unitholders and prospective investors upon request.

6.2 INDUCEMENTS AND COMMISSION REBATES

The Management Company on behalf of the UCITS reserves the right to offer inducements to third parties for the procurement of investors and/or the provision of services. The calculation basis for any such inducements is usually the commissions, fees, etc. charged to the investors and/or the assets or asset components placed with the Management Company. The amount of any such inducement will correspond to a percentage of the relevant calculation basis. Upon request, the UCITS shall, at any time, disclose any further information regarding its agreements with third parties. Unitholders hereby expressly waive any further right to information vis-à-vis the UCITS; more specifically, the UCITS is not accountable with regard to inducements actually paid.

The Unitholder acknowledges and accepts that the UCITS may accept inducements from third parties (including group companies) in connection with the intermediation of investors, the purchase/distribution of collective investment undertakings, certificates, notes, etc. (hereinafter referred to as "products", including those managed and/or issued by a group company) in the form of trailer fees. The amount of such inducements differs depending on the product and the product provider. Trailer fees are usually based on the volume of a product or product group held by the UCITS. Their amount usually corresponds to a percentage of the management fees charged for the relevant product, which are paid on a regular basis during the holding period. Moreover, sales commissions may also be paid by securities issuers in the form of discounts on the issue price (percentage rebate) or in the form of one-off payments as a percentage of the issue price. Unless provided otherwise, the Unitholder may request from the UCITS additional information about agreements with third parties relating to any such inducements at any time prior or after the provision of a service (purchase of a product). However, the right to information about further details regarding past transactions is limited to the twelve (12) months preceding the request. Unitholders expressly waive any further right to information. Where a Unitholder does not request further details prior to providing the service or where the Unitholder obtains the service after obtaining further details, the investor waives any claim for the surrender of items within the meaning of section 1009 of the General Civil Code (Allgemeines bürgerliches Gesetzbuch, "ABGB").

In connection with the purchase and sale of assets and rights for a Sub-Fund, the Management Company, the Depositary and their agents/representatives, if any, shall ensure that any inducements will inure, directly or indirectly, to the benefit of the Sub-Fund. The Depositary shall be entitled to retain no more than 10% of the inducements as retention.

7 Fees and Expenses

7.1 ESTABLISHMENT EXPENSES

The fees and expenses relating to the establishment of any subsequent Sub-Funds will be set out in the relevant Supplement and are charged to the Sub-Fund to which these expenses are attributable and will be amortized over a period of up to five years.

7.2 OPERATING EXPENSES AND FEES

Fees and expenses are payable by the UCITS to the Board of Directors, the Auditors and to any Service Provider appointed to provide services to the UCITS.

Other fees and expenses payable by the UCITS may include but are not limited to: expenses relating to the acquisition and disposal of investments, fees and expenses of transaction and execution related services and post-trade transaction processing, brokerage and banking commissions and charges, interest on borrowings, all taxes and VAT applicable to the UCITS or a Sub-Fund, administrative costs incurred due to risk management, tax, legal and other professional advisory fees, stock exchange listing fees, fees associated with the use of financial indices, fees of benchmark administrators, license fees of outsourcing partners or appointed third parties, investment research expenses, costs and expenses associated with the lease or purchase of futures memberships, statutory and regulatory fees in respect of the UCITS or any Sub-Fund (in Liechtenstein or in any other jurisdiction), costs incurred in respect of the distribution of income to Unitholders, costs and expenses of preparing, translating, printing, updating and distributing the Constituent Documents, KID, annual and semi-annual reports and other documents furnished to current and prospective Unitholders, expenses applicable to the UCITS for the costs of preparation, translation, printing and distribution of periodic Unitholder reports, fees and expenses incurred in connection with the registration of the UCITS or any Sub-Fund or Class for sale in other jurisdictions, fees and costs and expenses (to include legal

or other professional advisory fees) incurred as a result of periodic updates to the Constituent Documents, all litigation and indemnification expenses, expenses of Unitholders and Board of Directors meetings, all sums payable in respect of directors and officers liability insurance cover, expenses incurred in publishing and distributing details of the Net Asset Value, clerical costs of issue or redemption of Units, and any other expenses in each case together with any applicable value added tax.

7.3 SERVICE PROVIDER FEES

The fees and expenses of Service Providers appointed in respect of the UCITS or a Sub-Fund or a particular Class, will be at normal commercial rates together with VAT, if any, thereon. Such fees and expenses will be borne by the UCITS, the Sub-Fund or the relevant Class in respect of which the Service Provider has been appointed.

7.4 MANAGEMENT COMPANY'S REMUNERATION POLICY

The Management Company has a remuneration policy in place which seeks to ensure that the interests of the Management Company and the Unitholders are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the Management Company whose activities have an impact on the risk profile of the UCITS. The Management Company shall seek to ensure that such remuneration policies and practices will be consistent with sound and effective risk management and shall not encourage risk-taking which is inconsistent with the risk profile and shall be consistent with the UCITS Directive and ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575) ("**ESMA Remuneration Guidelines**").

The Management Company shall seek to ensure the remuneration policy will at all times be consistent with the business strategy, objectives, values and interests of the UCITS and the Unitholders and that the remuneration policy includes measures to ensure that all relevant conflicts of interest can be managed appropriately at all times. In line with the provisions of the UCITS Act, the Management Company applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, internal organization and the nature, scope and complexity of its activities.

Where the Management Company delegates investment management functions in respect of any Sub-Fund, it will, in accordance with the requirements of the ESMA Remuneration Guidelines, ensure that:

- the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines; or
- appropriate contractual arrangements are put in place that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guidelines.

Details of 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, are available on www.lgtcp.com/en/regulatory-information/. A paper copy of the Management Company's remuneration policy will be made available free of charge upon request.

7.5 MANAGEMENT FEE

The Management Company may, where specified in the relevant Supplement in respect of a particular Class, be entitled to receive a Management Fee which will be calculated on the basis of the Net Asset Value per Class on each Valuation Day.

The Management Fee shall be paid regardless of the profitability, or lack thereof, of a Class.

The Management Company may be paid different fees in respect of different Classes as disclosed in the relevant Supplement.

The Management Fee may be divided between the Management Company and the Investment Manager in such proportions as shall be agreed between the Management Company and the Investment Manager from time to time. Further, and except where expressly prohibited in respect of a particular Class as outlined in the relevant Supplement, the Management Company or the Investment Manager may, in their sole discretion, pay any of their portion of the Management Fee to any party (including to other LGT entities) in any manner whatsoever, whether by way of retrocession payment, rebate, distribution fee or otherwise.

7.6 PERFORMANCE FEE

The Management Company may, where specified in the relevant Supplement in respect of a particular Class, be entitled to receive a Performance Fee.

7.7 BOARD OF DIRECTORS' FEES

A maximum total amount of CHF 20,000 per annum may be charged by the UCITS for remuneration of members of the Board of Directors not employed by LGT Capital Partners Ltd. or its affiliated entities and reasonable costs and expenses incurred by such members of the Board of

Directors in the performance of their duties. The aggregate amount of remuneration paid to the members of the Board of Directors is shown in the annual report.

7.8 REDEMPTION FEE

The Management Company may levy a Redemption Fee. Details of the Redemption Fee, if any, shall be disclosed in the relevant Supplement.

Save where otherwise disclosed in the relevant Supplement, the Redemption Fee, if applied, is payable to the relevant Sub-Fund. Any applicable Redemption Fee will be deducted from the Redemption Proceeds payable to the relevant Unitholder. In the event of a Redemption Fee being imposed, Unitholders will be notified of this in their contract note.

7.9 SUBSCRIPTION FEE

A Subscription Fee may be payable on the issue of Units. Details of this Subscription Fee, if any, will be set out in the relevant Supplement.

The Subscription Fee, if applicable, is payable to the Management Company which may in turn be paid in full or in part to sub-distributors, introducing agents or intermediaries.

7.10 ALLOCATION OF FEES AND EXPENSES

Fees, costs or expenses attributable to a Sub-Fund will be charged to the relevant Sub-Fund and within such Sub-Fund to the Classes in respect of which they were incurred. Where a fee or expense is not considered by the Management Company to be attributable to any one Sub-Fund, the fee or expense will be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund or in a manner which the Management Company deems to be fair and equitable to Unitholders. Where a fee or expense is not considered by the Management Company to be attributable to any one Class within a Sub-Fund, the fee or expense will be borne by all Classes within the Sub-Fund in proportion to the Net Asset Value of the relevant Class or in a manner which the Management Company deems to be fair and equitable to Unitholders.

In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Management Company may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

7.11 CHARGING OF FEES AND EXPENSES TO CAPITAL

Where disclosed in the relevant Supplement, all or part of the fees and expenses attributable to a Class may be charged against capital instead of against income. Thus, on redemptions of holdings in such Classes, Unitholders may not receive back the full amount invested due to capital reduction. The rationale for charging fees and expenses out of capital is to allow the relevant Sub-Fund the ability to maximize the amount distributable to Unitholders who are seeking a higher dividend paying Class. Holders of Units in such Classes should refer to the **'Capital Erosion Risk'** disclosure in the 'Risk Factors' section.

7.12 FEE INCREASES

The maximum fees payable to the Management Company or Investment Manager (where the fees of the Investment Manager are discharged directly from the assets of the relevant Sub-Fund) or the maximum Redemption Fee as disclosed in the relevant Supplement shall not be increased beyond the maximum fee stated in the relevant Supplement without advance notice to the Unitholders of the intention to implement such increase.

8 Risk Factors

An investment in the UCITS or any particular Sub-Fund entails risks. Investment should only be undertaken by investors capable of evaluating the risks of the investment including the risk of a loss of all of their investment. There is no guarantee that in any time period, particularly in the short term, a Sub-Fund's portfolio will achieve any capital growth or even maintain its current value. Prospective investors are advised that the value of Units may go down as well as up, and accordingly an investor may not get back the full amount invested.

It should not be assumed that an investment in the UCITS or any particular Sub-Fund will be profitable or that the future performance of the Units will equal the past performance of other investment vehicles. Prospective investors should carefully consider the risks involved including, but not limited to, those set forth below.

The discussion of risk factors below does not purport to be a complete explanation of the risks involved in investing in the UCITS or any particular Sub-Fund.

Different risks may apply to different Sub-Funds and/or Classes. Details of certain additional risks attaching to a particular Sub-Fund or Class can be disclosed in the relevant Supplement. Prospective investors should review the Constituent Documents carefully and in their entirety and consult with their professional advisers before making an application for Units.

Persons interested in purchasing Units should inform themselves as to (a) the legal requirements within their own countries for the purchase of Units, (b) any foreign exchange restrictions which may be applicable, and (c) the

income and other tax consequences of purchase and redemption of Units.

8.1 GENERAL

Limitation of Liability of Unitholders

The liability of Unitholders is limited to any paid amount on its Units and all Units in the UCITS will only be issued on a fully paid basis. However, Unitholders will be required to indemnify the UCITS and other parties as stated therein for certain matters including inter alia losses incurred as a result of the holding or acquisition of Units by an investor not fulfilling the eligibility criteria for a particular Class, losses arising as a result of a subscriber for Units failing to settle the relevant subscription amount by the relevant Subscription Payment Date, any liabilities arising due to any tax the UCITS is required to account for on an investor's behalf, including any penalties and interest thereon, any losses incurred as a result of a misrepresentation by an investor of any matters.

Lack of Operating History

Upon launch, each Sub-Fund is a newly formed entity and has no operating history upon which prospective investors can evaluate the likely performance of a Sub-Fund. The past investment performance of the Management Company, an Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in the Sub-Fund. There can be no assurance that; (i) the Sub-Fund's investment policy will prove successful; or (ii) Unitholders will not lose all or a portion of their investment in the Sub-Fund.

Legal, Tax and Regulatory Risk

Legal and regulatory (including taxation) changes could adversely affect the UCITS. Regulation (including taxation) of investment vehicles such as the UCITS is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the UCITS is impossible to predict but could be substantial and have adverse consequences on the rights and returns of Unitholders.

Controlling Unitholder

There is no restriction on the percentage of the Units that may be owned by one person or a number of connected persons. It is possible, therefore, that one person, including a person or entity related to the Management Company or, a collective investment scheme managed by the Management Company or its affiliates, may be a majority Unitholder in a Sub-Fund.

Information Rights

The UCITS may provide a Unitholder with historic performance or portfolio level holding information in respect of a particular Sub-Fund. This information will be available to all Unitholders upon request but if not requested it may not be systematically obtained by all Unitholders in a Sub-Fund. As a result, a Unitholder that has received this information may be able to act on such additional information requested that other Unitholders may not systematically receive.

Impact of Fees and Expenses on Value of Unitholding

A Sub-Fund will pay fees and expenses regardless of whether it experiences any profits. Therefore, an investor who realizes his Units after a short period may not (even in the absence of a fall in the value of the relevant investments) realize the amount originally invested. The Units should therefore be viewed as medium to long-term investments.

Capital Erosion Risk

Capital Erosion Risk: Distributions

Unitholders should note that where a Sub-Fund or Class facilitates the payment of some or all of its distributions out of capital this may have the effect of eroding capital and the value of future returns in the Sub-Fund or Class could be diminished. The maximizing of income will be achieved by foregoing the potential for future capital growth. On redemptions of holdings Unitholders may not receive back the full amount invested.

Capital Erosion Risk: Charges deducted from capital

Unitholders should note that where a Sub-Fund or Class facilitates the payment of some or all of its fees and expenses out of capital, rather than out of the income generated by the Sub-Fund or Class, this may have the effect of eroding capital and constraining capital growth. On redemptions of holdings Unitholders may not receive back the full amount invested. As fees and expenses may be charged to capital, Unitholders should note the greater risk of capital erosion given the lack of potential capital growth and the likelihood that due to capital erosion, the value of future returns in the Sub-Fund could be diminished.

Service Provider Risk

The UCITS is reliant upon the performance of third-party Service Providers. In particular, the Management Company, the Investment Manager, the Depositary and the Administrator will be providing services which are

integral to the operation of the UCITS. Failure by any Service Provider to carry out its obligations to the UCITS in accordance with the terms of its appointment, including in circumstances where the Service Provider has breached the terms of its contract, could have a materially detrimental impact upon the operations of the UCITS.

Absent a direct contractual relationship between a Unitholder and a Service Provider to the UCITS, a Unitholder will generally have no direct rights against the Service Provider, and there are only limited circumstances in which a Unitholder could potentially bring a claim against a Service Provider. Instead, the proper plaintiff in an action in respect of which wrongdoing is alleged to have been committed against the UCITS by the relevant Service Provider is the UCITS.

Depositary Risk; Custody Risk

If a Sub-Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Sub-Fund without undue delay.

If a Sub-Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Sub-Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Sub-Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Sub-Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Sub-Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Sub-Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case basis whether a specific investment by the Sub-Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Sub-Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Sub-Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under the UCITS Directive, these Non-Custody Assets, from a safekeeping perspective, expose the Sub-Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

Reliance on the Management Company or Investment Manager and Key Persons

The UCITS will rely on the Management Company and/or the Investment Manager in formulating the investment strategies for each Sub-Fund and the Sub-Funds performance is largely dependent on the continuation of an agreement with the Management Company or the Investment Manager and the skills and services of their respective officers and employees. In the case of loss of service of the Management Company or the Investment Manager or any of its key personnel, as well as any significant interruption of the Management Company or the Investment Manager's business operations, or in the extreme case, the insolvency of the Management Company or the Investment Manager, a Sub-Fund may not find a successor investment manager quickly and the new appointment may not be equivalent or of similar quality. Therefore, the occurrence of those events could cause a deterioration in a Sub-Fund's performance and Unitholders may lose money in those circumstances.

A Sub-Fund's investment activities depend upon the experience and expertise of the Management Company's and/or the Investment Manager's portfolio management team. The loss of the services of any or all of these individuals, or the termination of the Management Agreement or the Investment Management Agreement, could have a material adverse effect on the UCITS's operations.

Operational Risk

A Sub-Fund's investments may be adversely affected due to a failure in the operational process of the UCITS or its Service Providers. A Sub-Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human error. While the UCITS seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to a Sub-Fund.

The UCITS depends on the Management Company and the Investment Manager appointed, to develop and implement appropriate systems for the investment activities of the relevant Sub-Fund. The Management Company and the Investment Manager in turn rely extensively on computer programs and systems to trade,

clear and settle transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolios and net capital and to generate risk management and other reports that are critical to the oversight of the Sub-Funds investment activities. In addition, certain of the Management Company's or the Investment Manager's systems interface with or depend on systems operated by third parties, market counterparties and other service providers and the Management Company or the Investment Manager, as appropriate, may not be in a position to verify the risk or reliability of such third-party systems. Those programs or systems may be subject to certain defects, failures or interruptions. Any such defect or failure could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades and cause inaccurate reports which may affect the Management Company or the Investment Manager's ability to monitor their investment portfolios and the associated risks.

Performance Fee Risk

Where Performance Fees are payable by a Sub-Fund, these will be charged as set out in the relevant Supplement. A Performance Fee will increase in conjunction with any unrealized appreciation in a Sub-Fund as well as realized gains and as a result, Performance Fees may be paid on unrealized gains which may subsequently never be realized as positions may be closed out at a loss in a later period with a consequent reduction in the Net Asset Value per Unit on a later Dealing Day. Further, payment of Performance Fees may create an incentive to the Management Company or the Investment Manager to select riskier or more speculative trades than would be the case in the absence of such a fee arrangement.

There may be circumstances where Performance Fees accrue as a result of market movements rather than due to performance of the Management Company or the Investment Manager.

Fraud Risk

None of the UCITS, the Management Company, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of or acting upon instructions from Unitholders, including but not limited to requests for redemptions of Units, reasonably believed to be genuine, and shall not in any event be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorized or fraudulent instructions. The Administrator shall employ reasonable procedures to seek to establish that instructions are genuine and that the subscription, redemption and exchange procedures of the UCITS are adhered to, as appropriate. In the event that a Sub-Fund suffers a loss due to the payment of redemption monies to, for example, a fraudster who has successfully redeemed a Unitholder's holding or part thereof, the Net Asset Value of that Sub-Fund shall be reduced accordingly and in the absence of any negligence, fraud, or willful default on the part of the Management Company, the Investment Manager, the Administrator or in the case of the Depositary its negligent or intentional failure to perform its obligations or its improper performance of them, the UCITS will not be compensated for any such loss which will therefore be absorbed by the Unitholders equally.

Cyber Security Risk

The UCITS and its Service Providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through 'hacking' or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber security attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the UCITS, the Management Company, the Investment Manager, the Administrator, the Depositary or other Service Providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with calculation of the Net Asset Value; impediments to trading for a Sub-Fund's portfolio; the inability of Unitholders to transact business with a Sub-Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Sub-Fund invests, counterparties with which the UCITS engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified. The UCITS therefore remains subject to the risk that the procedures implemented by its Service Providers will be ineffective to protect the UCITS and the Sub-Funds fully from any such risks, particularly in light of the evolving nature of the threat to cyber security. The UCITS may therefore be exposed to risk of losses in circumstances

where the relevant Service Provider may have no liability for any such losses suffered by the UCITS or a Sub-Fund.

Epidemics and Other Health Risks

Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and the 2019-nCoV (the "**Epidemics**"). Some of the Epidemics have resulted in numerous deaths and the imposition of both local and widespread quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The ongoing spread of the Epidemics has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. In addition to these developments having adverse consequences to the value of certain portfolio companies and other issuers in or through which a Sub-Fund may directly or indirectly invest, the operations of the Management Company, the Investment Manager or other Service Providers may be adversely impacted, including through quarantine measures and travel restrictions imposed on personnel or Service Providers based or temporarily located in affected countries, or any related health issues of such personnel or Service Providers. Any of the foregoing events could materially and adversely affect a Sub-Funds ability to source, manage and divest its investments and its ability to fulfil its investment objectives.

MiFID II: Classification of UCITS Funds as non-complex financial instruments

UCITS (other than structured UCITS) are deemed to be non-complex financial instruments for the purposes of Article 25 of MiFID II. Accordingly, where a MiFID authorized firm is selling Units in the UCITS to its clients on an execution only basis, it will not be required to conduct an appropriateness test on its clients and is not required to assess whether the investment in a Sub-Fund is appropriate for its clients.

Changes in the UK Political Environment

Changes in the UK political environment following the UK's decision by referendum to exit from the EU has led and is likely to lead to further political, legal, tax and economic uncertainty. This has already and is likely to continue to impact general economic conditions in the UK. The UK exit could adversely affect an investment manager's ability to access markets, make investments, attach and retain employees or enter into agreements (on its own behalf or on behalf of the UCITS) or continue to work with non-UK counterparts and Service Providers, all of which could result in increased risk to the UCITS or the Sub-Funds. Where relevant, the UK exit from the EU may result in restrictions in a UK regulated distributor's ability to market the UCITS which could hamper the success of the UCITS. It may also result in volatility in Sub-Funds which have exposure to the UK financial markets or the UK currency. The decision by the UK to leave the EU may destabilise some or all of the other members of the EU and / or the Eurozone which may also have a material adverse effect on the UCITS, its Service Providers and counterparties.

Taxation

Prospective investors and Unitholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions from the UCITS or any Sub-Fund. The requirement to pay such taxes will be according to the laws and practices of the country where the Units are purchased, sold, held or redeemed and in the country of residence or nationality of the Unitholder and such laws and practices may change from time to time.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the UCITS will endure indefinitely. Prospective investors and Unitholders should consult their tax advisors with respect to their particular tax situations and the tax consequences of an investment in a particular Sub-Fund.

If, as a result of the status or actions of a Unitholder, the UCITS or a Sub-Fund becomes liable to account for tax in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the UCITS or a Sub-Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Unitholder shall indemnify and keep the UCITS or a Sub-Fund indemnified against any loss arising to the UCITS or a Sub-Fund by reason of the UCITS or a Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Uncertain Tax Positions

Prospective investors and Unitholders should be aware that tax laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent nor transparent. As a result of uncertainty relating to the UCITS's potential tax liabilities, including on any historical realized or unrealized gains, as well as

liabilities that may arise as a result of investments made by the relevant Sub-Fund which have not reflected tax liabilities in their valuation, the Net Asset Value of the Sub-Funds on any Dealing Day may not accurately reflect such liabilities (including those that are imposed with retrospective effect). In addition, the Net Asset Value of the Sub-Funds on any Dealing Day may reflect an accrual for potential tax liabilities that may subsequently not be paid. Accounting standards may also change, creating an obligation for the UCITS to accrue for a potential tax liability that was not previously required to be accrued or in situations where the UCITS does not expect to be ultimately subject to such tax liability.

In the event that the UCITS subsequently determines to accrue for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any Sub-Fund investments result in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally be allocated among the Unitholders of the applicable Sub-Fund at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the UCITS subsequently determines that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Unitholders of the applicable Sub-Fund at the time of such determination, rather than when the income or transaction in respect of which such taxes were accrued was earned or occurred, and Unitholders who previously redeemed Units of the Sub-Fund will not receive additional compensation or otherwise share such benefit. Unitholders will not be notified of any of the foregoing determinations or payments.

Unitholders at a time during which any liabilities for taxes are not accrued will invest in Units of the Sub-Fund at a higher Net Asset Value than such Unitholders would have invested if such liabilities had been accrued at the time of the applicable investment. In addition, the returns of the Sub-Fund may be considered to have been subject to an inadvertent leverage effect in that those additional assets would have been invested in accordance with the usual investment policy of the Sub-Fund. On the other hand, Unitholders that redeem Units of a Sub-Fund at a time during which potential liabilities for taxes are accrued will redeem Units of the Sub-Fund at a lower Net Asset Value than if such liabilities had not been accrued at the time of the applicable redemption. In that situation the Sub-Fund may also be considered to have been subject to an inadvertent underinvestment effect if that accrual of taxes is not subsequently paid.

8.2 INVESTMENT-SPECIFIC RISK

Active Investment Management

Where disclosed in the relevant Supplement, a Sub-Fund's investments may be actively managed by the Management Company, or where appointed the Investment Manager, based on the expertise of individual fund managers, who will have discretion (subject to the Sub-Fund's investment restrictions, investment policies and strategies) to invest the Sub-Fund's assets in investments that it considers will enable the Sub-Fund to achieve its investment objective. There is no guarantee that a Sub-Fund's investment objective will be achieved based on the investments selected.

Availability of Investment Strategies

Whilst it is the intention of the Management Company or the Investment Manager, to implement investment strategies which are designed to achieve a Sub-Fund' investment objective, there is a risk that the Management Company or the Investment Manager may not be able to locate suitable investment opportunities in which to deploy all of a Sub-Fund's assets.

Use of a Benchmark

A Sub-Fund's use of a benchmark may fall within the scope of the Benchmark Regulation. Subject to certain transitional and grandfathering arrangements, a Sub-Fund will no longer be able to 'use' a benchmark within the meaning of the Benchmark Regulation which is provided by an EU index provider which is not registered or authorized pursuant to Article 34 of the Benchmark Regulation or which is provided by a non-EU index provider which has not been recognized, deemed equivalent or endorsed under the Benchmark Regulation. Furthermore, circumstances may arise where the benchmark used by a Sub-Fund materially changes or ceases to exist. In such circumstances, a Sub-Fund may therefore be required to identify a suitable alternative benchmark if available which may prove difficult or impossible. Failure to identify a suitable replacement benchmark may have an adverse impact on the relevant Sub-Fund, including in certain circumstances the ability of the Management Company or the Investment Manager to implement the investment strategy of the relevant Sub-Fund. Compliance with the Benchmark Regulation may also result in additional costs being borne by the relevant Sub-Fund.

Market Risk

The investments of a Sub-Fund are subject to risks inherent in all investments. The value of holdings may fall as well as rise, sometimes rapidly and unpredictably. The price of investments will fluctuate and can decline in value due to factors affecting financial markets generally or particular industries, sectors, companies, countries or geographies

represented in the portfolio, and reduce the value of a portfolio. The value of an investment may decline due to general market conditions which are not specifically related to particular investments, such as real or perceived adverse economic conditions, changes in the general outlook of macro-economic fundamentals, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular region, sector or industry, such as labor shortages or increased production costs and competitive conditions. Some investments may be less liquid and/or more volatile than others and therefore may involve greater risk.

A Sub-Fund's performance may be adversely affected by unfavorable markets and unstable economic conditions or other events, which may result in unanticipated losses that are beyond the control of the Sub-Fund.

Political and Regulatory Risk

The value of the assets of a Sub-Fund may be affected by domestic and international political developments, changes in social conditions, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, the level of interest rates, currency fluctuations, fluctuations in both debt and equity capital markets, sovereign defaults, inflation and money supply deflation, and other developments in the legal, regulatory and political climate in the countries in which investments may be made, which may or may not occur without prior notice. Any such changes or developments may affect the value and marketability of a Sub-Fund's investments.

Market Disruptions

A Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from such a disconnection is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.

Such a disruption may also result in substantial losses to a Sub-Fund because market disruptions and losses in one sector can cause effects in other sectors; for example, during the 'credit crunch' of 2007-2009 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, the outbreak of infectious illnesses, such as those listed in the 'Epidemics and Other Health Risks' risk factor above, may have negative consequences for Sub-Funds due to the global impact on both valuations of investments and the disruption to normal operational processes.

Some of the Regulated Markets on which each Sub-Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. Potential investors should also note that the securities of small capitalization companies are less liquid and this may result in fluctuations in the price of the Units of the relevant Sub-Fund. It may not always be possible for a Sub-Fund to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, a Sub-Fund may not be able to execute trades or close out positions on terms which the Management Company believes are desirable. As a Sub-Fund may invest in unlisted securities, a lack of liquidity in such securities may have impact upon the valuation of those securities.

Force Majeure

The UCITS may be exposed to losses as a result of one or more force majeure events including, fire, disaster, riot, civil commotion, accident, outbreak of disease, epidemic, fire, flood, storm, rebellion, war, act of terrorism, government, monetary authority or military action or industrial dispute, strike or lock-out, computer error or failure, delay or breakdown in communications or electronic transmission systems, unavailability of market prices or suspension of dealing on relevant stock exchanges or any other cause or circumstance beyond the reasonable control of the UCITS, the Management Company, the Investment Manager or the Administrator.

Currency Risk

The Net Asset Value per Unit will be computed in the Base Currency of the relevant Sub-Fund, whereas each Sub-Fund's investments may be acquired in a wide range of currencies. Accordingly, there is a currency exchange risk involved as a result of fluctuations in exchange rates between the Base Currency and such other currency in which a Sub-Fund is invested, which fluctuations may be substantial and may occur suddenly. Fluctuations in interest rates of the currency or currencies in which the Units and/or the Sub-Fund's investments are denominated may affect financing costs and the real value of the Units.

In certain Sub-Funds the Management Company or the Investment Manager may, but is not obliged to, seek to mitigate currency risk by entering into currency hedging transactions. The successful execution of a currency hedging strategy which matches exactly the profile of the investments of the relevant Sub-Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange fluctuations at a price sufficient to protect the asset from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Further it may not be possible or practical to hedge against currency exchange risk in all circumstances.

Unit Currency Designation Risk

A Class of a Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund and/or the designated currencies in which the Sub-Fund's assets are denominated.

Redemption Proceeds and any distributions to Unitholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Base Currency and such designated currency or changes in the exchange rate between the designated currency and the currencies in which the Sub-Fund's assets are denominated may lead to a depreciation of the value of such Units as expressed in the designated currency. For Classes which are designated currency hedging Classes, the Management Company or the relevant Investment Manager may try but is not obliged to mitigate this risk by undertaking currency hedging transactions in respect of the relevant Class. Unitholders should be aware that such hedging strategies may not completely eliminate exposure to such currency movements and that there is no guarantee that hedging strategies will be successful. Unitholders should also be aware that such hedging strategies may substantially limit Unitholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Sub-Fund are denominated. In such circumstances Unitholders of the relevant Class may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments used to implement such currency hedging strategies. Financial instruments used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole, however, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. If the assets of the relevant Class are not enough to cover any liabilities brought about by the hedging activity, then Unitholders in other classes of the Sub-Fund will be liable for the excess liabilities.

Concentration Risk

Where specified in the relevant Supplement, a Sub-Fund may focus its investments from time to time on one or more geographic regions, countries, industries or economic sectors. To the extent that it does so, developments affecting investments in such regions or sectors will likely have a magnified effect on the Net Asset Value of the relevant Sub-Fund and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other collective investment schemes funds that are diversified across a greater number of investments, regions, industries or sectors.

Portfolio Turnover

When circumstances warrant, investments may be sold or unwound without regard to the length of time held. Active trading increases a Sub-Fund’s rate of turnover, which may increase brokerage commissions paid and certain other transaction expenses. The costs related to increased portfolio turnover has the effect of reducing a Sub-Fund's investment return and the sale of securities by a Sub-Fund may result in the realization of taxable capital gains, including short term capital gains.

Position Limits

Limits imposed by the Regulations, other applicable law, certain exchanges and trading venues or counterparties may negatively impact on the Management Company or the Investment Manager's ability to implement a Sub-Fund's investment policy. Position limits are maximum amounts that any one person or entity may own or control in a particular investment. If at any time the positions of a Sub-Fund were to exceed applicable position limits, the Management Company or the Investment Manager would be required to liquidate positions in a Sub-Fund to the extent necessary to observe those limits. Further, to avoid exceeding the position limits, the Management Company or the Investment Manager may have to forego or modify certain of its contemplated investments.

Settlement Risk

Markets in different countries will have difference in clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Sub-Fund remain uninvested, and no return is earned thereon. The inability of a Sub-Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result in losses to a Sub-Fund due to subsequent declines in value of the portfolio security, or if it has entered into a contract to sell the security, it could result in possible liability of the Sub-Fund to the purchaser.

Large cash positions

A Sub-Fund may, in certain circumstances, hold a significant portion of its assets in cash or cash equivalents at the Management Company’s or the Investment Manager’s discretion. If a Sub-Fund holds a significant cash position for an extended period of time, its investment returns may be adversely affected, and it may not achieve its investment objective.

Investments in Undervalued Securities

A Sub-Fund may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Sub-Fund's investment may not adequately compensate for the business and financial risks assumed. In addition, a Sub-Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Sub-Fund's capital would be committed to the securities purchased, thus possibly preventing the Sub-Fund from investing in other opportunities.

Equity Risk

Investing in equity securities, including derivatives on such equity securities, may offer a higher rate of return than investing in debt securities. However, the risks associated with investments in equity securities may also be higher because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value as a result in changes in a company's financial position and overall market and economic conditions.

Investment in Smaller Companies

Investments in smaller companies may offer greater opportunities for capital appreciation than larger companies but may be more vulnerable to adverse market developments than larger companies and therefore investments in these companies tend to be riskier than investments in larger companies. Small companies may have limited product lines, markets or financial resources and may be dependent on a limited management group. Furthermore, shares in smaller companies can be harder to buy and sell and tend to go up and down in value more often and by larger amounts, especially in the short term.

Investment in Fixed Income Securities Risk

Where a Sub-Fund invests in fixed income securities, it will be subject to credit, liquidity and interest rate risks. The issuers of fixed income securities may default on their obligations whether due to insolvency, bankruptcy, fraud or other causes and their failure to make the scheduled payments could cause a Sub-Fund to suffer significant losses. Evaluating credit risk for fixed income securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. The value of bonds and other fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates usually increases the value of existing debt instruments and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupons and deferred interest bonds. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below-market interest rate, increase the security's duration and reduce the value of the security. Also, the market for fixed income securities is often inefficient and illiquid and it is likely that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

In addition to traditional fixed-rate securities, a Sub-Fund may invest in debt securities with variable or floating interest rates or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to certain formulae intended to reflect market rates of interest. These securities allow a Sub-Fund to participate in increases in interest rates through upwards adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag behind the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward and this may result in a lower yield.

Sub-Investment Grade Bonds

Where specified in the relevant Supplement, a Sub-Fund may invest in sub-investment grade debt securities as well as securities without rating. Sub-investment grade debt securities or unrated securities may offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities, and it may be harder to buy and sell such securities at an optimum time.

Non-investment grade and unrated securities are subject to the increased risk of an issuer's inability to meet principal and interest obligations and may be subject to

greater price volatility due to factors such as specific corporate developments, interest rate sensitivity, negative perceptions or publicity (whether or not based on fundamental analysis) of the sub-investment grade bond markets generally and less secondary market liquidity. The market value of non-investment grade fixed income securities tends to reflect individual corporate developments to a greater extent than that of investment grade securities which react primarily to fluctuations in the general level of interest rates. As a result, the ability of a Sub-Fund that invests in non-investment grade fixed income securities to achieve its investment objectives may depend to a greater extent on the Management Company or the Investment Manager's judgment concerning the creditworthiness of the issuers of such securities than Sub-Funds which invest in investment grade securities. Issuers of non-investment grade fixed income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of investment grade securities by economic downturn, specific corporate developments or the issuer's inability to meet specific projected business forecasts.

A holder's risk of loss from default is significantly greater for non-investment grade securities than is the case for holders of other debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investments in defaulted securities poses additional risk of loss should non-payment of principal and interest continue. Even if such securities are held to maturity, recovery by a Sub-Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade securities is concentrated in relatively few market makers and is dominated by institutional investors. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for non-investment grade fixed income securities is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Sub-Fund's ability to dispose of particular portfolio investments, which may be reflected in wider bid/offer spreads than would be applied for investment grade securities. A less liquid secondary market may also make it more difficult for the Management Company to obtain precise valuations of the non-investment grade securities held by a Sub-Fund.

High Yield Bonds

These bonds typically are subject to greater market fluctuations and to greater risk of loss of income and principal due to default by the issuer than are higher-rated bonds. Lower-rated bonds' values tend to reflect short-term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher-rated bonds. In addition, it may be more difficult to dispose of, or to determine the value of, high yield bonds. Bonds rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions."

Convertible Bonds

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into units in the company issuing the bond at a specified future date. As such, investments in convertible bonds may be exposed to equity movement and greater volatility than traditional bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable traditional bond investments. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

Investment in other Collective Investment Schemes

A Sub-Fund may, where specified in the relevant Supplement, invest in one or more Eligible CIS including schemes managed by the Management Company or its affiliates. As a unitholder of another collective investment scheme, a Sub-Fund would bear, along with other unitholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Sub-Fund bears directly in connection with its own operations.

A Sub-Fund which invests in other collective investment schemes is indirectly exposed to all of the risks applicable to that collective investment scheme. Certain trading and hedging techniques which may be employed by the other collective investment scheme such as leverage, short selling and investments in options or commodities or financial futures could increase the adverse impact to which the other collective investment scheme may be subject.

Eligible CIS may have different settlement cycles to that of a Sub-Fund. Thus, there may be a mismatch between the two settlement cycles causing the relevant Sub-Fund to use borrowing on a temporary basis to meet the

underlying investment in advance of being able to draw down on capital commitments. This may result in charges being incurred by the relevant Sub-Fund. Further, each Eligible CIS may not be valued at the same time or on the same day as the relevant Sub-Fund and accordingly the net asset value of such Eligible CIS used in the calculation of the Net Asset Value of the relevant Sub-Fund will be the latest available net asset value of such Eligible CIS (further details on the calculation of the Net Asset Value are set out in the section entitled Calculation of Net Asset Value).

To the extent that a Sub-Fund is invested in collective investment schemes, the success of a Sub-Fund shall depend upon the ability of the Eligible CIS to develop and implement investment strategies that achieve a Sub-Funds' investment objective. Subjective decisions made by the Eligible CIS may cause a Sub-Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalized. In addition, the overall performance of a Sub-Fund will be dependent not only on the investment performance of the Eligible CIS, but also on the ability of the Investment Manager to select and allocate a Sub-Funds' assets among such Eligible CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the Investment Manager will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which Eligible CIS are not changed.

Commodity Risk

Where specified in the relevant Supplement, a Sub-Fund may generate indirect exposure to commodities markets which may subject it to greater volatility than investments in traditional securities as commodity investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Risks of Investing in Private Equity

Individual Sub-Funds may, where consistent with the relevant Sub-Funds' investment objective and not prohibited by as an investment restriction, invest in private equity transactions. Due to the nature of such investments, the risks attached to an investment in the respective Sub-Fund is typically above the average risk attached to an investment in a fund that invests in other publicly-traded securities, and therefore an investment in the respective Sub-Fund is suitable only for investors who are in a position to take such a risk, including the possible loss of their entire investment.

Due to the nature of private equity markets, there is no guarantee or assurance that the underlying private equity managers will find sufficient suitable investment opportunities or the Sub-Fund to invest in such. As a result, there is no guarantee that the desired levels of diversification will be achieved by the underlying private equity managers.

The securities in which the underlying private equity managers or the respective Sub-Fund may invest may be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss as the claims of the Eligible CIS may be of a subordinate rank compared to other third-party creditors and can only be recovered once all other creditors have been satisfied.

As there are generally no limits to the degree of leverage at the level of the underlying private equity managers many of their investments may be in businesses with high levels of debt or in leveraged buyouts. Leveraged buyouts by their nature require the Eligible CIS to service substantial debt obligations which result in a high ratio of fixed interest charges to anticipated revenues. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses (e.g. an increase in key interest rates). There can be no assurance that any targeted return will be attained. Additional financial risk of a similar nature may arise from the borrowing by the Sub-Fund itself.

Besides the high degree of financial risk due to relatively high leverage, the underlying private equity managers might also incur operating risks, which may give rise to the risks of insolvency of the underlying private equity investments and the total loss of funds invested and may be adversely affected by distressed credit markets.

Investments made by the underlying private equity managers will typically be long-term in nature and will require several years before they are suitable for realization. Realization of value from such investments will be difficult in the short term or may have to be made at a substantial discount compared to freely tradable investments.

In negotiating the terms of the underlying investments, the underlying private equity managers typically intend to obtain contractual provisions which will facilitate the implementation of exit strategies such as sales to third parties. However, there can be no assurance that market, political or economic conditions will permit the successful implementation of such exit strategy at the time or in the manner required to provide an attractive return on the underlying investments of the respective Sub-Fund.

To the extent a Sub-Fund may directly invest in UCITS-eligible private equity assets any of the above risk may equally unfold on the level of the Sub-Fund itself.

FDI Risk

Where specified in the relevant Supplement, a Sub-Fund may engage in FDI for efficient portfolio management purposes, in order to hedge risks associated with its portfolio and/or for investment purposes. Such FDI may be Exchange Traded FDI or OTC Derivatives. The market value of FDI can be more volatile than that of other investments and may be subject to various types of risks, including but not limited to, market risk, liquidity risk, credit risk, counterparty risk, legal risk and operations risk.

The prices of FDIs may be highly volatile. Price movements of forward contracts, futures contracts and other FDI are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, national and international political and economic events or changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, e.g. markets in currencies or interest rates. Such intervention is often intended directly to influence prices and may, together with other factors, cause markets to move rapidly in the same direction.

The use of FDI also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of investments being hedged, (2) imperfect correlation between the hedging instruments and the investments or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's other investments, and (4) the possible absence of a liquid market for any particular instrument at any particular time.

OTC Market risk

Where any Sub-Fund acquires securities on over-the-counter markets, there is no guarantee that the Sub-Fund will be able to realize the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

OTC transactions are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Such trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. OTC counterparties are not required to continue to make markets in the underlyings and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Sub-Fund.

Counterparty Risk

A Sub-Fund will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in FDI. To the extent that a counterparty defaults on its obligation and a Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. With respect to exchange traded derivatives and centrally cleared OTC Derivatives, the risk is more complex in that it involves the potential default of the exchange, clearing house or the clearing broker

Liquidity Risk

The Management Company or the Investment Manager will only enter into OTC Derivatives with counterparties who are contractually obliged to close out a position on request. However, this is subject to the UCITS being able to enforce the provisions of the relevant contract against the relevant counterparty effectively and promptly. In addition, should the UCITS enforce this contractual right to close out the relevant position, this may result in significant losses to the relevant Sub-Fund.

Leverage Risk

The use of FDI can involve significant economic leverage and consequently adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the FDI itself. The low initial margin deposits normally required to establish a position in such instruments permits leverage. As a result, a relatively small movement in the price of the underlying contract may result in a profit or a loss that is high in proportion to the amount of assets actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Should this occur, Unitholders could in certain circumstances face minimal or no returns or may even suffer a loss on their investment.

Legal Risk

OTC Derivatives may also carry legal risk in that the use of standard contracts to affect such FDI transactions may expose a Sub-Fund to legal risks such as the contract not accurately reflecting the intention of the parties, or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Furthermore, contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in the Net Asset Value, incorrect collateral calls or delay in collateral recovery.

Position Risk

When a Sub-Fund purchases a security, the risk to the Sub-Fund is limited to the loss of its investment. In the case of a transaction involving FDI that Sub-Fund's liability may be potentially unlimited until the position is closed.

Correlation Risk

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the use of FDI may not always be an effective means of, and sometimes could be counter-productive to achieving a Sub-Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by a Sub-Fund that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Sub-Fund's investments under disadvantageous conditions.

Liquidity of Futures Contracts

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as 'daily price fluctuation limits' or 'daily limits'. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Sub-Fund from liquidating unfavorable positions.

Total Return Swap Risk

Where specified in the relevant Supplement, a Sub-Fund may enter into Total Return Swaps. The relevant Sub-Fund will be subject to the credit risk of the counterparty to the Total Return Swap, as well as that of the issuer of the reference obligation. If there is a default by the counterparty to a swap contract a Sub-Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Sub-Fund will succeed in pursuing contractual remedies. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts. The value of the index/reference asset underlying a total return swap may differ to the value attributable to the total return swap held by a Sub-Fund due to various factors such as the costs incurred in relation to entering the total return swap and differences in currency values and costs associated with hedged or unhedged unit classes.

Highly Volatile Instruments

The prices of derivative instruments, including options, are highly volatile. Price movements of forward contracts and other derivative contracts in which a Sub-Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Sub-Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

Indices and Futures Contracts Trading Risk

The index futures market (including financial futures) and other financial instruments which provide exposure to indices are highly volatile and are influenced by factors such as changing supply and demand relationships, government programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required in an index futures trade, a high degree of leverage is typical in index futures trading accounts. As a result, a relatively small price movement in an index futures contract may result in substantial losses to the trader. Trading index futures may also be illiquid. Certain exchanges do not permit trading in particular index futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – a Sub-Fund could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Short Selling

Where specified in the relevant Supplement, a Sub-Fund may, by using certain FDI, hold short positions in particular investments, sectors or markets where the Management Company or the Investment Manager wishes to express a negative view in relation to those investments, sectors or markets. Where the Sub-Fund holds a short position, the value of the short position will rise as the market value of the position falls.

Due to regulatory action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain investments and in respect of certain markets has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and, in some cases, impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, where relevant, the Management Company or the Investment

Manager may not be in a position to fully express its negative views in relation to certain investments, companies, currencies, assets or sectors and the ability of the Investment Manager to fulfil the investment objective of a Sub-Fund may be constrained.

Risks Associated with Securities Financing Transactions

Securities Financing Transactions create several risks, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund and liquidity risk if the Sub-Fund is unable to liquidate collateral provided to it to cover a counterparty default.

Securities Lending

Where a Sub-Fund enters into securities lending arrangements for efficient portfolio management purposes there are risks in the exposure to market movements, if recourse has to be made to collateral, or if there is fraud or negligence on the part of the Depositary or lending agent. In addition, there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in securities lending arrangements is the insolvency of the borrower. Should the borrower of securities fail financially or default on any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules under the Regulations, however, there is a risk that the value of the collateral provided may fall below the value of the securities transferred. In addition, a Sub-Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Regulations. Any such Sub-Fund will be exposed to the risks associated with such investments.

Repurchase Agreements

Under a repurchase agreement, a Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

Reverse Repurchase Agreements

If a seller of securities to a Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such securities, which action could involve costs and/or delays. If the seller becomes insolvent and subject to a liquidation or reorganization under bankruptcy or other laws, a Sub-Funds ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario that the Sub-Fund may not be able to substantiate its interest in the underlying securities. Furthermore, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

Risks associated with Collateral Management

Collateral or margin may be passed by the relevant Sub-Fund to a counterparty or broker in respect of FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy which may hinder or delay the return of collateral to the relevant Sub-Fund.

Where collateral is posted to a counterparty or broker by way of title transfer or where the UCITS on behalf of a Sub-Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the UCITS on behalf of the relevant Sub-Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of an insolvency of a counterparty, the Sub-Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of assets passed as collateral. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the UCITS or its delegates will not have any visibility or control.

Counterparty Risk - General

A Sub-Fund has a credit risk on the counterparties with which it trades. In the event of the insolvency, bankruptcy or default of any such counterparty, the Sub-Fund bears the risk that the counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Sub-Fund to suffer a loss.

The Management Company or the Investment Manager on account of a Sub-Fund may enter into transactions with brokerage firms, broker-dealers and banks. These financial institutions, being a counterparty to the transactions, may also be issuers of other financial Instruments in which a Sub-Fund invests. The Management Company or the Investment Manager may have contractual remedies upon

any default pursuant to the agreements related to the transactions, however, such remedies could be inadequate to the extent that the collateral or other assets available are insufficient.

Deposits of securities or cash with a custodian, bank or financial institution will also carry counterparty risk as the custodian or the depository may be unable to perform their obligations due to credit-related and other events like insolvency or default by them. In these circumstances, a Sub-Fund may be required to exit certain transactions and may encounter difficulties with respect to court procedures in seeking recovery of the Sub-Fund's assets. Furthermore, in some custody, sub-custody or stock-lending arrangements, a Sub-Fund may not have a right to have specific assets returned to it, but rather, the Sub-Fund may only have an unsecured claim against the custodian or the counterparty, in which case it may lose all or the greater part of the value of the relevant assets.

Where a Sub-Fund delivers collateral to its trading counterparties under the terms of its trading agreements with such parties, a counterparty may be over-collateralized and the Sub-Fund will, therefore, be exposed to the creditworthiness of such counterparties to the extent of the over-collateralization. Collateral provided to a trading counterparty may be subject to counterparty risk. In addition, the Sub-Fund may from time to time have uncollateralized exposure to its trading counterparties in relation to its rights to receive securities and cash under contracts governing its trading positions. In the event of the insolvency of a trading counterparty, the Sub-Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralized exposure to such trading counterparties and any such over collateralization, and in such circumstances, it is likely that the Sub-Fund will not be able to recover any debt in full, or at all.

Emerging Market Risk

A Sub-Fund may invest in investments in emerging markets or may have investments, whose valuation relates to investments of issuers located in such countries.

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. These risks include:

Political Risk

Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. The performance of a Sub-Fund may be affected by adverse changes in government policies, legal and tax requirements, restrictions on foreign investments, and the imposition of restrictions on the transfer of capital. A Sub-Fund may also be exposed to risks of expropriation, nationalization and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Currency Risk

The assets of a Sub-Fund investing in emerging markets may be affected unfavorably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value per Unit of such Sub-Fund may be subject to significant volatility.

Liquidity Risk

By comparison with more developed financial markets, emerging market countries' financial markets, in general, are smaller, less liquid and more volatile than those of the world's leading stock markets. Purchases and sales of investments may take longer than would otherwise be expected on developed stock markets and transactions may need to be conducted at unfavorable prices.

Settlement, Accounting and Custody Risk

The clearing, settlement and registration systems available to effect trades in emerging markets are significantly less developed than those in more developed markets, which may increase settlement risk and/or result in delays in registering the transfer of investments. Problems of settlement may impact the liquidity and value of a Sub-Fund. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. There may be limited financial or accounting information available with respect to local issuers and it may be difficult as a result for the Management Company or the Investment Manager to assess the value or prospects of an investment. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

Investments in certain emerging markets may involve the risk that the custodial systems are not as well developed as those in developed markets. In certain circumstances a Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in 'book-entry' form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of

a Sub-Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Sub-Fund in investing and holding investments in such markets will generally be higher than in organized securities markets.

Legal and Regulatory Risk

Laws governing foreign investment and financial transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, a Sub-Fund which invests in emerging markets may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Sub-Fund are invested.

Repatriation of Funds Risk

Some emerging markets may impose restrictions on foreign exchange, especially in relation to the repatriation of foreign funds. Such restrictions may include prohibition on the repatriation of foreign funds for a fixed time horizon and limitation of the percentage of invested funds to be repatriated at each time. As a result, a Sub-Fund could be adversely affected by the delay in, or refusal to grant an approval for repatriation of funds or by any official intervention affecting the repatriation of funds.

Increased Investment Costs and Taxation Risk

Emerging market investments may incur brokerage or stock transfer taxes levied by governments which would have the effect of increasing the cost of investment and which may reduce the realized gain or increases the loss on such investments at the same time. In addition, custodial expenses for emerging market investments are typically higher than for developed market investments. Dividend and interest payments from, and capital gains in respect of, emerging market investments may be subject to foreign taxes that may or may not be reclaimable.

Frontier Market Risk

A Sub-Fund may invest in investments in frontier markets or may have investments, the price of which are referenced to investments of issuers located in such countries.

Investment in frontier markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. These risks are considered comparable to those associated with emerging markets, as outlined in the section entitled Emerging Market Risk.

Investment in China

Where specified in the relevant Supplement, a Sub-Fund may invest a portion of its assets in investments issued by issuers located in the PRC. In addition to the risks disclosed above under the section entitled Emerging Market Risk, investments in securities of PRC issuers may involve a particularly high degree of risk and special considerations not typically associated with investing in EU or US markets.

Risks Related to Investments in the PRC

Development of Economies in the PRC

The economies of the various regions in the PRC differ from the economies of most developed countries in many aspects, including as to: (a) the political structure; (b) the degree of government involvement; (c) the degree of economic development; (d) the level and control of capital re-investment; (e) the control of foreign exchange; (f) the allocation of resources and (g) the degree of liquidity in their capital markets. Certain economies in the PRC have been transitioning from those which are centrally planned to more market-oriented economies. For example, for more than two decades, the government of the PRC has implemented economic reform measures emphasizing the utilization of market forces in the development of the PRC economy. Although the Investment Manager believes these reforms will have a positive effect on the overall and long-term development of such economies, it cannot predict whether changes in economic, political and social conditions, laws, regulations and policies in the PRC will have an adverse effect on the investments of a Sub-Fund.

Legal and Tax Systems

The legal and tax systems of the PRC are less predictable than most legal and tax systems in countries with more developed capital markets. Currently, the tax rules and regulations prevailing in the PRC are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies may experience delays in the PRC when obtaining governmental licenses and approvals. These factors contribute to the systemic risks to which a Sub-Fund may be exposed. There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by the individual companies in the investment portfolio of a Sub-Fund, or a

Sub-Fund itself, may reduce the returns for the Unitholders. In addition, changes to tax treaties (or their interpretation) between countries in which a Sub-Fund invests, and countries through which a Sub-Fund conducts its investment program, may have a significant adverse effect on a Sub-Fund's ability to efficiently realize income or capital gains. Consequently, it is possible that a Sub-Fund may face unfavorable tax treatment resulting in an increase in the taxes payable by a Sub-Fund on its investments. Any such increase in taxes could reduce the investment returns that might otherwise be available to the Unitholders. All these uncertainties may cause difficulties in the enforcement of statutory and contractual rights and interests. It cannot be predicted whether changes in the laws, regulations and policies of any jurisdiction in the PRC will have an adverse effect on a Sub-Fund or its financial condition.

Less Company Information and Regulation

Generally, there is less publicly available information about companies in the PRC. This may make it more difficult for the Investment Manager to stay informed of corporate action that may affect the price or value of a particular security. Further, the PRC may lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of companies in the PRC.

Political and Economic Instability

Investing in securities issued in certain regions involves considerations and potential risks not typically associated with investments in securities of companies domiciled and operating in the G-7 nations, including the instability of governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes or instability in governmental administration or economic or monetary policy, changed circumstances in dealings between nations and confiscatory taxation. A Sub-Fund may incur higher expenses from investment in the securities issued in certain countries than from investment in others. A Sub-Fund's investments in certain countries could be adversely affected by certain factors, not present in developed nations, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations. In addition, the governments of such countries may participate in their economies through ownership or regulation in ways that can have a significant effect on securities prices. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation. Further, although the recent general trend in many of the less developed economies in the PRC has been toward more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these regions will continue to pursue such policies or that such policies may not be altered significantly. The PRC markets may also experience significant adverse economic developments, including substantial depreciation in currency exchange rates, or reduced economic growth rates or unstable currency fluctuations, increased interest rates, or reduced economic growth rates compared with investments in securities of issuers based in developed countries. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond the Investment Manager’s control could have a material adverse effect on the performance of a Sub-Fund. Although economic conditions are different in each country, investors’ reactions to the developments in one country may have an adverse effect on the securities of issuers in other countries. Developments or conditions in emerging market countries may from time to time significantly affect the availability of credit in the PRC and result in considerable outflows of funds and declines in the amount of foreign currency invested in these markets.

Risks Associated with CIBM

Although there is no quota restriction under the CIBM Rules, relevant information about a Sub-Fund’s investments needs to be filed with PBOC and an updated filing may be required if there is any significant change to the filed information. It cannot be predicted whether PBOC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, PBOC instructions will need to be followed and the relevant changes will need to be made accordingly.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. By investing in such market, a Sub-Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Sub-Fund may therefore incur significant trading and realization costs and may even suffer losses when selling such investments. A Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. In addition, since the relevant filings and account opening for investment directly in CIBM have to be carried out via an onshore settlement agent, in such cases a Sub-Fund is subject to the risks of default or errors on the part of the onshore settlement agent.

The CIBM is also subject to regulatory risks. The CIBM Rules are very new and have yet to be tested on the market. At this stage the CIBM Rules are still subject to further clarification and/or changes, which may adversely affect a Sub-Fund's capability to invest in the CIBM. In the extreme circumstances where the relevant PRC authorities suspend account opening or trading on the CIBM, a Sub-Fund's ability to invest in the CIBM will be limited and a Sub-Fund may suffer substantial losses as a result.

The CIBM Rules allow foreign investors to remit investment amounts in Renminbi ("**RMB**") or foreign currency into the PRC for investing in the CIBM. For repatriation of funds out of the PRC by a Sub-Fund, the ratio of RMB to foreign currency should generally match the original currency ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%. Such requirements may change in the future which may have an adverse impact on a Sub-Fund's investment in the CIBM. PBOC will exercise on-going supervision on a Sub-Fund's trading under the CIBM Rules and may take relevant administrative actions such as suspension of trading and mandatory exit against a Sub-Fund and/or the Investment Manager in the event of any non-compliance with the CIBM Rules.

Except for interest income from certain bonds (i.e. government bonds, local government bonds and railway bonds which are entitled to a 100% enterprise income tax exemption and 50% enterprise income tax exemption respectively in accordance with the Implementation Rules to the Enterprise Income Tax Law, a circular dated 10 March 2016 on the Circular on Income Tax Policies on Interest Income from Railway Bonds under Caishui [2016] No. 30 and a circular dated 16 April 2019 on the Announcement on Income Tax Policies on Income from Railway Bonds), interest income derived by non-resident institutional investors from other bonds traded through the CIBM is PRC-sourced income and subject to PRC withholding income tax at a rate of 10% and VAT at a rate of 6%.

According to the Circular on the Enterprise Income Tax and Value-Added Tax Policies for Foreign Institutions investing in Onshore Bond Markets, the enterprise income tax and VAT of the coupon interest income gained by overseas institutions in the PRC bond markets will be temporarily exempted from 7 November 2021 to 31 December 2025. The scope of the enterprise income tax exemption has excluded bond interest gained by foreign institutions' onshore entities/establishment that are directly connected with such onshore entities/establishment.

Capital gains derived by non-resident institutional investors from the trading of CIBM bonds are technically considered as non-PRC sourced gains hence not taxable for PRC withholding income tax. While the PRC tax authorities are currently enforcing such non-taxable treatment in practice, no clear guidance is available on such non-taxable treatment under the current tax regulations.

Pursuant to another circular dated 30 June 2016 on the Supplementary Circular on VAT Policies on Interbank Transactions of Financial Institutions under Caishui [2016] No. 70, the capital gains derived by foreign institutions approved by PBOC from the investment in the local currency markets of CIBM shall be exempted from VAT.

In addition, the tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations and may vary from region to region. As a result, the PRC taxes and duties payable by the Investment Manager and which are to be reimbursed by a Sub-Fund to the extent attributable may change at any time.

Risks associated with the Stock Connect Scheme

Where a Sub-Fund invests through the Stock Connect Scheme, it will be subject to the following risks:

Quota limitations risk

The Stock Connect Scheme is subject to quota limitations. Trading under the Stock Connect Scheme will be subject to a daily quota respectively ("**Daily Quota**"). The Daily Quota will apply on a 'net buy' basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a Sub-Fund's ability to invest in China A shares through the Stock Connect Scheme on a timely basis, and a Sub-Fund may not be able to effectively pursue its investment strategies.

Suspension risk

Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect Scheme is affected, a Sub-Fund's ability to access the PRC market will be adversely affected.

Differences in trading days

The Stock Connect Scheme only operates on days when both the PRC and Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the SSE or SZSE but Hong Kong stock markets or banks are

closed and overseas investors (such as a Sub-Fund) cannot carry out any China A shares trading. Due to the differences in trading days, a Sub-Fund may be subject to a risk of price fluctuations in China A shares on a day that the PRC stock markets are open for trading, but the Hong Kong stock market is closed.

Operational risk

The Stock Connect Scheme provides a channel for investors from Hong Kong and overseas to access the PRC stock markets directly.

The Stock Connect Scheme is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in these programs subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading China A shares through the Stock Connect Scheme. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the programs to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the 'connectivity' in the Stock Connect Scheme requires routing of orders across the border. SEHK has set up an order routing system ("**China Stock Connect System**") to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. A Sub-Fund's ability to access the China A shares market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring – PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise, SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A shares sell orders of its participants (i.e. the stockbrokers) to ensure there is no over-selling.

Generally, if a Sub-Fund desires to sell certain China A shares it holds, it must transfer those China A shares to the respective accounts of its brokers before the market opens on the day of selling ("**Trading Day**") unless its brokers can otherwise confirm that a Sub-Fund has sufficient China A shares in the accounts. If it fails to meet this deadline, it will not be able to sell those shares on the Trading Day. Because of this requirement, a Sub-Fund may not be able to dispose of holdings of China A shares in a timely manner.

Alternatively, if a Sub-Fund maintains its China A shares with a custodian which is a custodian participant or general clearing participant participating in the Central Clearing and Settlement System ("**CCASS**") operated by Hong Kong Securities Clearing Company Limited ("**HKSCC**") for the clearing securities listed or traded on SEHK), a Sub-Fund may request such custodian to open a special segregated account ("**SPSA**") in CCASS to maintain its holdings in China A shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique 'Investor ID' by CCASS for the purpose of facilitating the system to verify the holdings of an investor such as a Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs a Sub-Fund's sell order, a Sub-Fund will only need to transfer China A shares from its SPSA to its broker's account after execution and not before placing the sell order and a Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China A shares in a timely manner due to failure to transfer China A shares to its brokers in a timely manner.

Recalling of eligible stocks – When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect Scheme, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategy of a Sub-Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Custody, clearing and settlement risk – The HKSCC, a wholly-owned subsidiary of HKEX, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. The China A shares traded through Stock Connect Scheme are issued in scripless form, so investors will not hold any physical China A shares. Hong Kong and overseas investors (including where relevant a Sub-Fund) who have acquired SSE securities or SZSE securities through Northbound trading should maintain the SSE securities or SZSE securities with their brokers' or custodians' stock accounts with the CCASS.

HKSCC and ChinaClear have established the clearing links, and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with

clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will, in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders' meetings – Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE securities and SZSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE/SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE securities or SZSE securities (as the case may be).

HKSCC will monitor the corporate actions affecting SSE securities and SZSE securities and keep the relevant brokers or custodians participating in CCASS ("**CCASS Participants**") informed of all such corporate actions that require CCASS Participants to take steps in order to participate in them. The HKSCC will keep CCASS Participants informed of corporate actions of SSE securities and SZSE securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their CCASS Participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so, permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including a Sub-Fund) are holding SSE securities and SZSE securities traded via the Stock Connect Scheme through their brokers or custodians, and they will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS Participants). The time for them to take actions for some types of corporate actions of SSE securities and SZSE securities may be very short. Therefore, it is possible that a Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Nominee arrangements in holding China A shares – HKSCC is the nominee holder of the SSE securities and SZSE securities acquired by Hong Kong and overseas investors (including, where relevant a Sub-Fund) through the Stock Connect Scheme. The current Stock Connect Scheme rules expressly provide for the concept of a 'nominee holder' and there are other laws and regulations in the PRC which recognize the concepts of 'beneficial owner' and 'nominee holder'. Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE securities/ SZSE securities and that it has a direct interest in the matter, investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that a Sub-Fund will not encounter difficulties or delays in terms of enforcing its rights in relation to China A shares acquired through the Stock Connect Scheme. However, regardless of whether a beneficial owner of SSE securities under Shanghai-Hong Kong Stock Connect or SZSE securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE securities and SZSE securities where necessary.

No Protection by Investor Compensation Fund Investments through the Stock Connect Scheme are conducted through brokers and are subject to the risks of default by such brokers in their obligations.

A Sub-Fund's investments through Northbound trading under the Stock Connect Scheme are not covered by the Hong Kong's Investor Compensation Fund, which is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorized financial institution in relation to exchange-traded products in Hong Kong. Therefore, where relevant a Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A shares through the Stock Connect Scheme. Further, since a Sub-Fund would be carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund in the PRC.

Regulatory risk – The Stock Connect Scheme will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect Scheme.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect Scheme will not be abolished. A Sub-Fund, which may invest in the PRC stock markets through the Stock Connect Scheme, may be adversely affected as a result of such changes.

PRC Tax risk

(a) Dividends

Pursuant to the 'Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect' (Caishui [2014] No. 81) ("**Notice No. 81**") promulgated by the Ministry of Finance of the PRC ("**MOF**"), the State Administration of Taxation of the PRC ("**SAT**") and the China Securities Regulatory Commission ("**CSRC**") on 14 November 2014, a Sub-Fund is subject to a withholding income tax ("**WHT**") at 10% on dividends received from China A shares traded via Shanghai-Hong Kong Stock Connect, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent PRC authority.

Pursuant to the 'Notice on the tax policies related to the Pilot program of Shenzhen-Hong Kong Stock Connect' (Caishui [2016] No. 127) ("**Notice No. 127**") promulgated by the MOF, SAT and CSRC on 5 November 2016, a Sub-Fund is subject to a WHT at 10% on dividends received from China A shares traded via Shenzhen-Hong Kong Stock Connect.

Dividends received by a Sub-Fund from China A shares traded via the Stock Connect Scheme should not be subject to VAT.

(b) Capital gains

Pursuant to Notice No. 81 and Notice No. 127, PRC corporate income tax ("**CIT**") will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including, where relevant a Sub-Fund) on the trading of China A shares through the Stock Connect Scheme.

Notice No. 81, which was issued under the PRC Business Tax ("**BT**") regime, stated that investors in the Hong Kong market (including, where relevant a Sub-Fund) are temporarily exempt from PRC BT with respect to gains derived from the trading of China A shares through the Shanghai-Hong Kong Stock Connect.

Pursuant to Notice No. 127, investors in the Hong Kong market (including a Sub-Fund) are temporarily exempt from PRC VAT with respect to gains derived from the trading of China A shares through the Shenzhen-Hong Kong Stock Connect.

Since 19 September 2008 onwards, only the seller is taxable to stamp duty at the rate of 0.1% on the sale of PRC listed shares and the buyer is not liable to any stamp duty.

It is noted that Notice No. 81 and Notice No. 127 both state that the exemption on CIT, BT and VAT effective from 17 November 2014 and 5 December 2016 respectively is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, a Sub-Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Sub-Fund's NAV.

Liquidity Risk

The Sub-Funds endeavor to acquire only such financial instruments for which a liquid market exists. However, under certain market conditions, such as during volatile markets or when trading in certain investments or markets is otherwise impaired, the liquidity of a Sub-Fund's investments may be reduced. During such times, a Sub-Fund may be unable to dispose of certain investments, which would adversely affect the Sub-Fund's ability to rebalance its portfolio or to meet redemption requests. In addition, such circumstances may force the relevant Sub-Fund to dispose of investments at reduced prices, thereby adversely affecting a Sub-Fund's performance. If other market participants are seeking to dispose of similar investments at the same time, a Sub-Fund may be unable to sell or exit such investments or prevent losses relating to such investments. Furthermore, if a Sub-Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, a Sub-Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing a Sub-Fund's credit risk with respect to them. Further it may be difficult to value illiquid securities accurately which may lead to difficulties with confirming the final Net Asset Value of a Sub-Fund.

Large Redemption Risk

Substantial redemption requests by Unitholders in a concentrated period of time could require a Sub-Fund to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the redemptions and achieve a portfolio appropriately reflecting a smaller asset base. This may limit the ability of the Management Company or the Investment Manager where appointed, to successfully implement the investment program of a Sub-Fund and could negatively impact the value of Units being redeemed and the value of Units that remain in issue. Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the Net Asset Value of a Sub-Fund could make it more difficult for a Sub-Fund to generate profits or recover losses. Any redemption by a large Unitholder could have an adverse impact on the remaining Unitholders in a Sub-Fund as their proportionate share of some fees and expenses could increase. Unitholders will not receive notification of substantial redemption requests received in respect of a Sub-Fund and therefore may not have the opportunity to redeem their Units or portion thereof prior to or at the same time as the redeeming Unitholders.

Valuation Risk

Certain investments held by a Sub-Fund may be valued at the probable realization value as determined in accordance with the valuation provisions set out in the section entitled Calculation of Net Asset Value. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Where an investment is valued using a probable realization value, there is no guarantee that such prices will accurately reflect the price which the relevant Sub-Fund will receive upon the sale of the investment and to the extent that a Sub-Fund sells an investment at a price lower than the price which has been used to value the investment, its Net Asset Value will be adversely affected.

The UCITS may consult the Management Company or an Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Management Company in determining the valuation price of a Sub-Fund's investments and its other responsibilities and fee entitlement.

Nominee Arrangement

Where an investor is invested in a Sub-Fund via a nominee arrangement, they should note that Units acquired via such nominee will be registered in the name of that nominee and all rights in respect of those Units will be exercisable against the UCITS only through the nominee. The UCITS will deal with the nominee as the registered Unitholder and the investor will need to ensure that it enters into an arrangement with the nominee under which the nominee agrees to forward all relevant information to the investor and to seek their instructions in relation to any matters affecting the Units held by them. Neither the UCITS, the Management Company nor the Administrator will have any liability for any failure by the nominee to exercise any rights attached to Units in accordance with instructions issued by the underlying investors.

Late Unit Subscriptions and Redemptions

Where requests for subscription or redemption are received late (i.e. after the relevant Dealing Deadline), there will be a delay between the time of submission of the request and the actual date of subscription or redemption. Such deferrals or delays may operate to decrease the number of Units or the redemption amount to be received.

Allocation of Shortfalls Among Classes of a Sub-Fund

The right of holders of any Class to participate in the assets of the UCITS is limited to the assets (if any) of the relevant Sub-Fund and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of the Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes (as set out in the relevant Supplement).

For example, if on a winding-up of the UCITS, the amounts received by the UCITS (after payment of all fees, expenses and other liabilities which are to be borne by the relevant Sub-Fund) are insufficient to pay the full redemption amounts payable in respect of all Classes of the relevant Sub-Fund, each Class of the Sub-Fund will rank pari passu with each other Class of the relevant Sub-Fund, and the proceeds of the relevant Sub-Fund will be distributed equally amongst each Unitholder of that Sub-Fund pro rata to the amount paid up on the Units held by each Unitholder. The relevant Unitholders will have no further right of payment in respect of their Units or any claim against any other Sub-Fund or any other assets of the UCITS.

This may mean that the overall return (taking account of any dividends already paid) to Unitholders who hold Units paying dividends quarterly or more frequently may be higher than the overall return to Unitholders who hold Units paying dividends annually and that the overall return to Unitholders who hold Units paying dividends may be higher than the overall return to Unitholders who hold Units paying no dividends.

In practice, cross liability between Classes is only likely to arise where the aggregate amounts payable in respect of any Class exceed the assets of the Sub-Fund notionally allocated to that Class, that is, those amounts (if any) received by the UCITS (after payment of all fees, expenses and other liabilities which are to be borne by such Sub-Fund) that are intended to fund payments in respect of such Class or are otherwise attributable to that Class. In these circumstances, the remaining assets of the Sub-Fund notionally allocated to any other Class of the same Sub-Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable on such other Class.

Unitholder Concentration and Composition in a Sub-Fund

The Sub-Funds may have a concentrated Unitholder base where large Unitholders (such as pension funds, insurance companies or other collective investment schemes, including those which may be managed by Management Company affiliated entities), financial institutions or other types of Unitholders hold a significant portion of the Units of a Sub-Fund. This exposes other Unitholders in the Sub-Fund to certain risks. These risks include the risk that a large portion of the Units of the Sub-Fund may be redeemed on any day which could impact the overall viability of the Sub-Fund or could impact the ability of other Unitholders, who have not submitted redemption requests on that day, to redeem from the Sub-Fund e.g. where it may be necessary to impose a redemption gate. Fulfilling redemption requests which are a material portion

of the Sub-Fund's size, particularly in unfavourable market conditions, may encourage additional redemption requests which may result in a less concentrated number of Unitholders (therefore increasing the risk/probability of a material redemption event than if there was a more diversified Unitholder base) and which may impact performance (as the overall size and diversification of the investments held by the Sub-Fund may be negatively impacted).

Negative Impact of Redemptions on Performance and Value

In order to meet redemption requests, a Sub-Fund may have to liquidate (in whole or in part) underlying investments in unfavourable market conditions, which may decrease the value of the Units held by Unitholders and which may decrease a Sub-Fund's performance. Further, a Sub-Fund may be obligated to fulfil redemption requests at a time when doing so would negatively impact the Sub-Fund's investment returns and decrease the Sub-Fund's ability to fulfil other redemption requests.

Unaudited Redemption Price

Calculation and payment of a Unitholder's Redemption Proceeds will be based on an unaudited Net Asset Value per Unit. Adjustments and revisions may be made to the Net Asset Value and/or Net Asset Value per Unit following the year-end audit of a Sub-Fund or receipt of updated prices from underlying investments. Since no adjustments will be made to the proceeds paid to the redeeming Unitholder at the time the redeeming Unitholder receives Redemption Proceeds, the amount paid to the redeeming Unitholder may be higher or lower than it would have been using the audited Net Asset Value per Unit and such differences may be deducted from the Unitholders holdback proceeds. Such adjustments and revisions will also affect the non-redeeming Unitholders at the time that such adjustment or revision is made.

Income Risk

For those Sub-Funds that do not intend to pay dividends or make other distributions, the Sub-Fund will reinvest substantially all of its income and gain. Cash that might otherwise be available for distribution will also be reduced by payment of the obligations of the Sub-Fund (including amounts payable to the Management Company, the Investment Manager or an Investment Advisor), payment of UCITS' expenses and establishment of appropriate reserves.

Potential Compulsory Redemption Risk

The Management Company may require a Unitholder to redeem or transfer all or a portion of its Units in a Sub-Fund under certain circumstances. A mandatory redemption could result in adverse tax and/or economic consequences to that Unitholder. See the sub-section entitled Compulsory Redemption of Units.

Investment by Intermediate Vehicles and/or Feeder Funds

Certain intermediate vehicles or feeder funds that invest in the Sub-Funds of the UCITS may be operated independently from the UCITS, the Management Company, the Investment Manager or any of their affiliates. The underlying investors of such intermediate vehicles or feeder funds should note that they are not registered Unitholders and therefore will have no rights vis-á-vis the relevant Sub-Fund of the UCITS. For the avoidance of doubt, all rights in respect of Units in the UCITS are only exercisable by the registered Unitholder which in the above case will be the relevant intermediate vehicle or feeder fund.

Systemic Risk

Multiple counterparty risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a 'systemic risk' and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Sub-Fund interacts on a daily basis.

Terrorist Action

There is a risk of terrorist attacks causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Risks Relating to Crypto Currencies and Tokens

The Sub-Fund may generate, directly or indirectly (e.g. through the use of FDI), exposure to crypto currencies and/or tokens through its underlying investments. Crypto currencies and tokens are an evolving product and technology and an investment therein is subject to a variety of additional risks including technological, security and regulatory risks as well as associated uncertainties over their future existence, support and development. Crypto currencies and tokens may also experience unusual volatility. Any such investment is highly speculative and subject to the risk that the entirety or a material portion of such investment or its value may be lost.

Tax Audits

The UCITS and each Sub-Fund may be audited by a competent tax authority. An income tax audit may result in an increased tax liability of a Sub-Fund, including with respect to years when an investor was not a Unitholder of such Sub-Fund, which could reduce the Net Asset Value of such Sub-Fund or the UCITS and affect the return of all Unitholders.

8.3 RISK FACTORS NOT EXHAUSTIVE

The investment risks set out in these Investment Conditions do not purport to be exhaustive and potential investors should be aware that an investment in any Sub-Fund may be exposed to risks of an exceptional nature from time to time.

9 Taxation

9.1 GENERAL

The following statements on taxation are with regard to the law and practice in force in Liechtenstein at the date of this document and do not constitute legal or tax advice to Unitholders or prospective Unitholders. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the UCITS is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

Prospective Unitholders should familiarize themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and redemption of, Units in the places of their citizenship, residence and domicile.

Unitholders are recommended to obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in the UCITS and any investment returns from those Units.

9.2 LIECHTENSTEIN

9.2.1 Fund Assets

All Liechtenstein-based UCITS having the legal form of an investment company with variable capital (SICAV) are subject to unrestricted taxation in Liechtenstein and are subject to income tax. The income from the assets managed is exempt from taxation. Modified equity capital shall only be determined on the basis of equity capital not attributable to managed assets. Income tax is 12.5% of taxable net profits.

9.2.2 Issue Levy and Transfer Taxes

The issuance of Founder Shares or shares in the share capital (as part of the equity capital) of an investment company with variable capital is not subject to any issuance or formation taxes. The same shall apply to the issuance of Units in the managed assets. The transfer of title to the Units against payment is subject to transfer taxes if one of the parties or an intermediary is a domestic securities trader. The redemption of Founder Shares or shares in the share capital as well as Units in the managed assets is exempt from transfer taxes. Pursuant to the Treaty regarding the inclusion of the Principality of Liechtenstein in the Swiss Customs Union, Swiss stamp duty law also applies in Liechtenstein. Liechtenstein is thus considered to be part of the national territory for the purpose of Swiss stamp duty laws.

9.2.3 Withholding Taxes and/or Payment Agent Taxes

Both income and capital gains, whether distributed or accumulated, may be subject in part or in full to “tax withheld” (e.g. final withholding tax, withholding under FATCA) depending on the person holding, directly or indirectly, the Units.

UCITS in the legal form of an investment company with variable capital are not subject to any other withholding tax in Liechtenstein, i.e. they are exempt from coupon tax or capital gains tax in particular. Foreign income and capital gains generated by UCITS in the legal form of an investment company or any of their sub-funds may be subject to withholding tax in the country of investment. Double taxation treaties may apply.

9.2.4 Natural Persons with Tax Domicile in Liechtenstein

Private investors that are tax-domiciled in Liechtenstein must declare their Units as assets; these are subject to wealth tax. Any earnings distributions or reinvested earnings of UCITS in the legal form of an investment company or any of their sub-funds are exempt from purchase taxes. Any capital gains realized upon the sale of the Units are exempt from purchase taxes. Capital losses cannot be deducted from taxable purchases.

9.2.5 Persons with Tax Domicile outside Liechtenstein

The taxation of Unitholders domiciled outside of Liechtenstein as well as any other tax implications of the holding, buying or selling of Units is based on the tax laws of their relevant countries of domicile.

9.3 FATCA

The UCITS and its Sub-Funds are subject to the provisions of the Liechtenstein FATCA Agreement and the related implementing regulations as provided for under the Liechtenstein FATCA Act, as amended from time to time.

9.4 CRS/AUTOMATIC EXCHANGE OF INFORMATION

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organizations.

Liechtenstein has provided for the implementation of CRS through the enactment of the law on the automatic exchange of information (AIA law), with various amendments to the Liechtenstein Tax Act, on 6 November 2015. The AIA law corresponds mainly with the CRS and shall introduce a uniform standard for exchanging tax information with tax authorities of other countries.

Accordingly, the UCITS might be required to provide certain information about Unitholders resident or established in jurisdictions which are party to CRS arrangements.

The UCITS or the Administrator acting on behalf of the UCITS will request and obtain certain information in relation to the tax residence of its Unitholders or 'account holders' for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders.

9.5 UNITED STATES TAXATION CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax considerations relating to an investment in any Sub-Fund by persons that are either (i) non-U.S. corporations for U.S. federal income tax purposes ("non-U.S. Investors") or (ii) U.S. persons (as defined for U.S. federal income tax purposes) or other investors subject to U.S. federal income tax on their worldwide income. The discussion assumes that a non-U.S. Investor is not and will not be engaged in a trade or business within the United States and has and will have no U.S. source income apart from its investment in any Sub-Fund. This discussion does not purport to address all of the U.S. federal income tax consequences that may be applicable to any particular non-U.S. Investors and does not address the U.S. state and local and non-U.S. tax consequences of an investment in any Sub-Fund. Furthermore, except as expressly described below, this discussion does not address the tax consequences of the disposition of an interest of any Sub-Fund of the UCITS. This discussion is based on laws, regulations and other authorities in effect as of the date of these Constituent Documents, all of which are subject to change, possibly with retroactive effect. All prospective investors, particularly those subject to special rules under the U.S. federal income tax laws, are urged to consult their own tax advisors prior to investing in any Sub-Fund of the UCITS with reference to any special issues that investment in any Sub-Fund may raise for such persons.

9.5.1 Taxation of non-U.S. Investors

For U.S. federal income tax purposes, a non-U.S. Investor that invests in any Sub-Fund generally will not be subject to U.S. federal income taxation on distributions paid by the Sub-Funds in respect of its interest in the Sub-Funds or gains recognized on the sale, exchange, redemption or other disposition of such interest.

In the case of any interests in the Sub-Funds held in the United States by a custodian or nominee for a non-U.S. Investor, federal backup withholding taxes may apply to distributions in respect of such interests unless such non-U.S. Investor properly certifies as to its non-U.S. status or otherwise establishes an exemption from backup withholding.

The UCITS respectively the Sub-Funds may be subject to the branch profits tax at the rate of 30% on its earnings and profits attributable to ECI not treated as reinvested in the United States. The effect of the branch profits tax is to increase the U.S. federal income tax rate on ECI derived by the Sub-Funds from 21% to 44.7%, which may be higher than the rate applicable to a non-U.S. Investor taxable as a corporation that is entitled to tax treaty relief with respect to branch profits tax. Neither the UCITS nor any of the Sub-Funds are eligible for benefits, as no income tax treaty between the Principality of Liechtenstein and the United States exists.

9.5.2 Reportable Transactions

If U.S. federal tax rules relating to "reportable transactions" are applicable to the UCITS (or any of the transactions undertaken by the UCITS), Unitholders that are required to file U.S. federal income tax returns (and, in some cases, certain direct and indirect interest holders of certain Unitholders) would be required to disclose to the Internal Revenue Service ("IRS") information relating to the UCITS and its transactions, and to retain certain documents and other records related thereto. Although the Management Company does not believe that the subscription for an interest in the UCITS is a reportable transaction, there can be no assurance that the IRS will not take a contrary position. In addition, an interest in the UCITS could become a reportable transaction for Unitholders in the future. Substantial penalties may be imposed on taxpayers who fail to comply with these laws.

9.5.3 Certain U.S. State and Local Income Tax Considerations

The foregoing discussion does not address the U.S. state and local tax consequences of an investment in any Sub-Fund. Unitholders may be subject to U.S. state and local taxation, and tax return filing requirements, in the jurisdictions of the Sub-Funds' activities or investments. Unitholders may not receive the relevant tax information prior to when their tax return reporting obligations become due and may need to file for extensions. Unitholders are urged to consult their own tax advisors regarding U.S. state and local tax matters.

9.6 OTHER JURISDICTIONS

The tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore, Unitholders are advised to obtain tax advice from an appropriate source in relation to the tax implications and liability arising from the holding of Units in the UCITS and any investment returns from those Units.

10 General Information

10.1 SHARE CAPITAL

The share capital of the UCITS is denominated in Swiss Francs. The UCITS' currency of account shall be the Swiss Franc. The share capital of the UCITS is CHF 50,000 (in words: fifty-thousand Swiss Francs), divided into 50 registered Founder Shares with a nominal value of CHF 1,000 each.

The share capital of the UCITS may be increased by the issuance of new Founder Shares to existing Founder Shareholders or third parties. The share capital may be decreased by the repayment of share capital, in whole or in part, by way of redeeming Founder Shares, without adhering to the procedure provided for increases or decreases of share capital.

The Board of Directors may issue share certificates for any number of Founder Shares or refrain from issuing share certificates.

10.2 FOUNDER SHARES

The Founder Shares represent the right to attend the General Meeting and entitle the Founder Shareholders to cast votes at the General Meeting.

10.3 UNITS AND UNITHOLDER RIGHTS

The Units do not confer voting rights on Unitholders and do not carry the right to participate in the General Meeting. Moreover, they do not entitle the holder to participate in the profits of the UCITS' own assets (i.e. the assets allocated to the Founder Shares). There will be no general meeting of the Unitholders.

The UCITS may resolve to create one or more Classes of Units for any Sub-Fund or to terminate or consolidate existing Classes. The Classes may differ with respect to the application of income; distribution policy; subscription fees; redemption fees; denomination; currency hedging; remuneration for management; operations or other services; the minimum investment and minimum holding amount; distribution network; qualifying investors or other relevant differentiating terms/characteristics. As a result, due to the aforementioned differences in the terms/characteristics of a specific Class, the investment performance may vary across different Classes of a Sub-Fund despite the fact that all Classes of such Sub-Fund participate in the same portfolio of assets.

10.4 REPORTS AND ACCOUNTS

The UCITS will prepare an annual report and audited accounts as of 30 April in each year and a half-yearly report and unaudited accounts as of 31 October in each year. The annual report and audited accounts of the UCITS will be published within four months after the conclusion of each Accounting Period and its half-yearly report and unaudited accounts will be published within two months of the end of the half-year period and made available at the registered offices of the Management Company and the Depositary as well as on the LAFV website.

A paper copy of the most recent financial statements will be made available to Unitholders and prospective investors on request and free of charge.

10.5 NOTIFICATION OF PRICES

Except where the determination of the Net Asset Value of a Sub-Fund has been temporarily suspended in the circumstance described in the section entitled Suspension of Calculation of Net Asset Value, the Net Asset Value per Unit for each Sub-Fund or Class (and the issue price and Redemption Price of each Class) will be available on the LAFV website and will be updated following each Valuation Day. Access may be restricted, and it is not an invitation to subscribe for purchase, sell or redeem Units. In addition, the Net Asset Value per Unit for each Sub-Fund or Class (and the issue price and Redemption Price of each Class) may be obtained free of charge from and will be available at the office of the Administrator during normal business hours.

10.6 CLOSURE OF SUB-FUNDS OR CLASSES

The Management Company may, in its sole and absolute discretion, determine whether to close any Sub-Fund or Class in any of the following circumstances:

- If the Management Company determines at its discretion that it is impracticable or inadvisable for a Sub-Fund or Class to continue to operate for any reason;
- If a decision has been taken to wind-up the UCITS;
- If at any time the Net Asset Value of the Sub-Fund falls below the Minimum Fund Size; or
- If there are no Units in issue in the relevant Sub-Fund or Class.

The Unitholders are not entitled to request the liquidation of a Sub-Fund or a Class.

Where the Management Company so determines to close a Sub-Fund or Class, they shall compulsorily redeem all of the Units in issue in the relevant Sub-Fund or Class as at the proposed closure date and may suspend the future issuance of Units in the relevant Sub-Fund or Class.

The Management Company shall give notice of termination of a Sub-Fund or Class to the relevant Unitholders in advance and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Management Company shall in its sole and absolute discretion determine.

In such circumstances all of the Unitholders of the Sub-Fund or Class will be deemed to have had requested that their Units be redeemed on the termination date selected by the Management Company and otherwise in accordance with the redemption procedure set out in the Investment Conditions.

Where a Sub-Fund or Class is to be closed, the Management Company may instruct, where appointed, the Investment Manager to commence the realization of all the assets then comprised in the relevant Sub-Fund or Class (which realization shall be carried out and completed in such manner and within such period as the Management Company thinks advisable acting in the best interests of Unitholders of the relevant Sub-Fund or Class).

The Management Company may resolve in its absolute discretion to retain sufficient assets prior to closing or terminating the relevant Sub-Fund or Class in order to cover the costs associated with the closure of the Sub-Fund or Class and a 'liquidation expense' may be accrued for and included in the final NAV determined for the closing Sub-Fund or Class.

The decision of the Management Company to close a Sub-Fund or Class shall be final and binding on all parties concerned but the Management Company shall be under no liability on account of any failure to close a Sub-Fund or Class.

Where a decision has been taken by the Management Company to close a Sub-Fund or Class and all Units have been compulsorily redeemed by the UCITS, the UCITS may be unable in practice to make a disbursement of assets due to one or more Unitholders. This may give rise to the presence of unclaimed assets which will be dealt with as discussed under the section entitled Unclaimed Assets.

The UCITS shall (i) inform the FMA of such resolution and (ii) inform Unitholders of such resolution by publishing the corresponding resolution at least 30 days before the liquidation takes effect on the website of the LAFV (www.lafv.li). The FMA shall receive a copy of such notice.

The liquidation of a Class will generally proceed on the usual liquidity terms of the Class and the Constituent Documents. With respect to the liquidation of a Sub-Fund, the Management Company shall affect an orderly realization of the assets of the Sub-Fund as reasonably practicable and wind down the Sub-Fund (the "Orderly Wind Down").

During the Orderly Wind Down, the Management Company's main objective is to seek to return capital to Unitholders by expediting realization while minimizing losses and the UCITS may take such steps as it considers to be in the best interests of the Unitholders to reach this goal (however there is no guarantee that this goal will be reached). In pursuing this objective, the Management Company may be unable to follow the normal investment policy of the Sub-Fund as well as the UCITS may apply, among other measures, gate or suspend redemptions and/or suspend determination of the Net Asset Value.

The Management Company, acting in the best interests of the Unitholders, shall seek to pass the realization proceeds to the Unitholders as and when the proceeds are realized provided that their amount is sufficiently material in the UCITS' determination. The Management Company may affect such payments in such a way as it considers to be in the best interests of Unitholders, including compulsory redemption, compulsory conversion, and dividend payment.

The amount payable to the Unitholders as a result of the Orderly Wind Down may be adjusted for such reserves or holdbacks as the Management Company considers to be sufficient to pay any costs and expenses of the Sub-Fund. If such reserves and/or holdbacks exceed the actual amount of costs and expenses incurred in connection with the Orderly Wind Down, such remaining reserves and/or holdbacks will be paid without interest to the Unitholders pro rata.

Unless otherwise resolved by the Management Company, Operation Fees shall be payable during the Orderly Wind Down as described in the relevant Supplement. Management Fees and Performance Fees shall cease to be payable during the Orderly Wind Down as described in the relevant Supplement.

10.7 STRUCTURAL MEASURES

Unless otherwise provided hereinafter and unless the context otherwise requires, the statutory provisions of section V of the UCITS Act headed 'Structural Measures' and the associated provisions of the UCITS Ordinance shall apply.

10.7.1 Merger

The General Meeting may, subject to the requirement of the FMA, resolve to merge the UCITS with another collective investment scheme.

The Management Company may, subject to the approval of the FMA, resolve to merge a Sub-Fund with another Sub-Fund of this UCITS or of another Undertaking for Collective Investments of Transferable Securities, independent of its legal form and irrespective of whether or not such other UCITS has its registered office in Liechtenstein.

Investor Information

The communication of information to the Unitholders must allow them to make an informed assessment of the implications of such plans for their investments and the exercise of their rights.

The Unitholders shall be informed sufficiently in advance (and in any case, in line with the requirements of the UCITS Act, at least 30 calendar days before the last dealing day on which a Unitholder can, at no additional cost, redeem, convert or transfer its Units.

The information to the Unitholders, which the UCITS will publish on the website of the LAFV (www.lafv.li) shall include an explanation of the background and motives of the merger, its potential effects for the Unitholders, their rights in relation to the merger, and the relevant procedural aspects. The Unitholders shall also receive the updated Constituent Documents and the updated KID of the absorbing party.

Merger Costs

Neither any of the assets of the Sub-Funds that are part of the merger, nor the Unitholders will be charged with the legal, advisory or administrative costs associated with the preparation and execution of a UCITS merger.

These provisions may also apply to other structural measures pursuant to the UCITS Act by analogy. Please see below under the heading "Re-Domiciliation Costs" in respect of costs associated with re-domiciliation.

10.7.2 Re-Domiciliation

Pursuant to the relevant procedures in the applicable provisions in the relevant jurisdictions and subject to the requirements and/or approval by the FMA and any other competent authorities, it is possible to transfer the UCITS's registered office to another country and to continue the operation of the UCITS without dissolution in any other jurisdiction at any time, if permissible under the laws of such jurisdiction

10.7.3 Re-Domiciliation Costs

The legal, advisory or administrative costs associated with the preparation and execution of re-domiciliation may be charged to the relevant Sub-Fund. In such event, the Unitholder information must also state the expected costs, both in total and – by approximation – per Unit.

10.8 WINDING UP OF THE UCITS

The UCITS' own assets may be liquidated by a resolution adopted by the General Meeting. The resolution must be adopted in accordance with the statutory provisions of the Articles.

The Unitholders are not entitled to request the liquidation of the UCITS.

10.9 WINDFALL PAYMENTS

In the event that a Sub-Fund receives a settlement, tax reclaim, class action award or other ad-hoc or windfall payment (not being payments arising as reimbursements due to errors or breaches by the Management Company or its Service Providers listed in the section entitled Directory) (each, a 'payment'), unless otherwise determined by the Management Company, the payment shall be deemed to be for the benefit of the relevant Sub-Fund as a whole at the date of receipt of such payment rather than for the benefit for any particular group of Unitholders. It is therefore possible that those investors who were invested in the relevant Sub-Fund at the time of the underlying event from which the payment arose, or when the relevant Sub-Fund incurred costs relating to the event from which the payment arose, may not benefit from the payment if they have redeemed prior to the date of receipt of the payment.

In the event that a payment is received following the closure of a Sub-Fund, such payments shall, at the discretion of the Management Company, be made to (i) the Unitholders on the register for the relevant Sub-Fund on the final Dealing Day on which Units are redeemed; (ii)

such other Unitholders as determined by or on behalf of the Management Company from time to time; or (iii) as otherwise determined by the Management Company.

Where the payment amount received after a Sub-Fund has closed represents a de minimis amount as determined by the Management Company in their discretion or where the cost of dispatching, transmitting, effecting or otherwise making such payments exceed such payment amount, these monies may be paid for the benefit of the UCITS as a whole or as otherwise determined by the Management Company from time to time or paid to a charitable foundation to be determined by the Management Company.

10.10 UNCLAIMED ASSETS

In some circumstances (for example on a Sub-Fund termination, a winding up or a compulsory redemption) the Management Company may be unable in practice to make a disbursement of assets due to one or more Unitholders.

Notwithstanding anything herein to the contrary, once all reasonable measures to make the disbursement have been taken, the Management Company may in its discretion consider that any claims of the Unitholders in respect of any such assets whether in the form of unclaimed dividends, unpaid redemption proceeds or otherwise and any obligations of the UCITS in connection therewith shall be extinguished and any such amounts may be retained by the relevant Sub-Fund for the benefit of the other Unitholders or paid to a charitable foundation to be determined by the Management Company. The foregoing may apply subject to a de minimis level to be reasonably determined by the Management Company in their discretion or without qualification on the basis of the UCITS seeking to meet its anti-money laundering obligations under Liechtenstein law.

10.11 ADDITIONAL INFORMATION

The Management Company may, at its discretion, provide additional fund valuation and/or reporting information to certain Unitholders (subject to certain terms and conditions). Such additional fund valuation and/or reporting information will be made available to all Unitholders, on request, and should be used for information purposes only.

In addition to the information disclosed in the periodic reports of the UCITS, the UCITS may, from time to time, make available to Unitholders portfolio holdings and portfolio-related information in respect of one or more of the Sub-Funds. Any such information will be available to all Unitholders in the relevant Sub-Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates. Notwithstanding the fact that this will be historical information, a Unitholder that has received such information may be in a more informed position regarding the relevant Sub-Fund than Unitholders that have not received the information.

10.12 NOTICES TO UNITHOLDERS

Publication medium of the UCITS is the website of the LAFV (www.lafv.li).

Any and all notices to Unitholders, including any amendments to the Constituent Documents are published on the website of the LAFV (www.lafv.li).

The Net Asset Value, the issue price and the Redemption Price of the Units are published, for each Dealing Day, on the website of the LAFV (www.lafv.li).

The annual report audited by the Auditor will be made available to Unitholders at the registered offices of the Management Company and the Depositary and sent, free of charge, upon request.

10.13 MATERIAL CONTRACTS

Management Agreement. The UCITS has appointed the Management Company to provide management, investment management and distribution services to the UCITS and each of its Sub-Funds on the terms set out in the Management Agreement. Further details regarding the appointment of the Management Company to the UCITS are set out in the section entitled Management Company.

Investment Management Agreement. The Management Company has appointed the Investment Manager to provide discretionary investment management services to the UCITS.

Depositary Agreement. The UCITS has appointed the Depositary to provide services to the UCITS and the Sub-Funds pursuant to the terms of the Depositary Agreement. The duties of the Depositary together with an overview of the liability provisions applicable to the Depositary as set out in the Depositary Agreement are summarized in the section entitled Depositary.

Administration Agreement. The Administrator has been appointed by the Management Company to provide administration services to the UCITS pursuant to the Administration Agreement. The UCITS is also a party to the Administration Agreement for the purposes of appointing the Administrator to provide registrar and transfer agency services.

Details of the services provided by the Administrator pursuant to the Administration Agreement are set out in the section entitled Administrator.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Sub-Fund.

In addition to the above, the UCITS or the Management Company may enter into additional contracts with Service Providers as may be required in connection with an offer of Units into a particular jurisdiction from time to time. The provision of such services shall be on at arm's length commercial terms for the UCITS for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

10.14 ACCESS TO DOCUMENTS

The Constituent Documents and the KID, together with the most recent annual and semi-annual reports, are available, free of charge, in permanent data carrier format from the Management Company, the Depositary and all other authorized distributors for the Sub-Funds in Liechtenstein and abroad, as well as on the website of the LAFV (www.lafv.li).

Further information regarding the UCITS and/or the Sub-Funds is also available on www.lgtcp.com/en/regulatory-information or from the registered offices of the UCITS, the Management Company and the Depositary.

Vaduz, 30 June 2026

The Management Company

The Depositary

Appendix 1 – Permitted Investments and Investment Restrictions

1	**Permitted Investments** Investments of a Sub-Fund are confined to:
1.1	Transferable securities and Money Market Instruments which are either admitted to official listing on a stock exchange in an EEA Member State or non-EEA Member State or which are dealt on a market which is regulated, operates regularly, is recognized and open to the public in an EEA Member State or non-EEA Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Units in a UCITS or other collective investment undertakings comparable to a UCITS within the meaning of Art. 3, par. 1, section 17 of the UCITS Act, provided these may, in accordance with their constituent documents, hold no more than 10% of their assets in units of another UCITS or comparable collective investment undertakings.
1.4	Time or call deposits, having a term of no more than 12 months, with banks having their registered office in an EEA Member State or a non-EEA Member State whose supervisory laws are equivalent to those within the EEA.
1.5	Derivatives, whose underlying is an asset within the meaning of Art. 51 of the UCITS Act or financial indices, interest rates, foreign exchange rates or currencies. In the event of transactions with OTC Derivatives, the counterparties must be supervised institutions of a category approved by the FMA and the OTC Derivatives must be subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction.
1.6	Money Market Instruments that are not traded in a Regulated Market, provided that the issue or the issuer of such instruments is subject to the statutory provisions regarding deposit and investor protection and such Money Market Instruments: (a) have been issued or guaranteed by a central, regional or local authority, a central bank of an EEA Member State, the European Central Bank, the European Community or the European Investment Bank, a non-EEA Member State or, in the case of a federal state, by one the members making up the federation, or by an international body of a public-law nature to which one or more EEA Member States belong; or (b) have been issued by an undertaking whose securities are traded in a Regulated Market; or (c) have been issued or guaranteed by an institution subject to supervision in accordance with the criteria prescribed by EEA law, or by an institution subject to and compliant with regulatory provisions that are equivalent to those laid down by EEA law; or (d) have been issued by other issuers belonging to the categories approved by the FMA, provided that the investments in such instruments are subject to investor protection provisions that are equivalent to those under letters (a) to (c) above and provided that the issuer is either a company whose capital and reserves amount to at least EUR 10 million, and which prepares and publishes its financial statements in accordance with Directive 78/660/EEC (in Liechtenstein implemented by the PGR), or an entity that belongs to a group consisting of one or more exchange-listed undertakings and is responsible for the financing of that group, or an entity entrusted with the financing of the securitization of debt by means of a credit line provided by a bank.
1.7	Cash.
1.8	Movable or immovable assets that are indispensable for the immediate performance of the Sub-Fund's activities.

2 Investment Restrictions

2.1 A Sub-Fund may not:

(a) invest more than 10% of net assets in transferable securities and Money Market Instruments other than those referred to in section 1 above;

(b) acquire precious metals or precious metals certificates;

(c) carry out uncovered short sales.

2.2 Each Sub-Fund may invest no more than 5% of its assets in securities or Money Market Instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.

2.3 The default risks from transactions of the UCITS in OTC Derivatives with a bank as a counterparty that has its registered office in an EEA Member State or a non-EEA Member State whose supervisory laws are equivalent to those within the EEA must not exceed 10% of the Sub-Fund's assets; for other counterparties, the maximum default risk is set at 5% of said assets of the Sub-Funds.

2.4 Where the total value of the securities and Money Market Instruments of the issuers, in which the Sub-Fund invests more than 5% of its assets, does not exceed 40% of its assets, the issuer limit set in 2.2 above shall be raised from 5% to 10%. The 40% limit does not apply to deposits or OTC Derivative transactions with supervised banks. When raising the issuer limit, any securities and Money Market Instruments under 2.6 below and any debt securities under 2.7 below will not count towards said limit.

2.5 The individual maximum limits as per 2.2 and 2.3 above notwithstanding, a Sub-Fund may not combine the following assets if this would lead to the investment of more than 20% of its assets with one and the same entity:

(a) securities or money-market instruments issued by said entity; and/or

(b) deposits with said entity; and/or

(c) OTC Derivatives acquired from this entity.

2.6 Where the securities or Money Market Instruments have been issued or guaranteed by an EEA Member State or its local authorities, or a non-EEA Member State or an international body of a public-law nature to which one or more EEA Member States belong, the issuer limit set in 2.2 above shall be raised from 5% to a maximum of 35%.

2.7 Where debt securities are issued by a bank, having its registered office in an EEA Member State, that is subject to special state supervision due to statutory provisions for the protection of the holders of these debt securities and is therefore required to invest, in particular, the proceeds from the issuance of said debt securities in assets that are sufficient to cover any liabilities arising therefrom during the entire term of such debt securities and are primarily intended for the repayment of any capital and interest that would fall due if the issuer defaulted, the maximum limit for any such debt securities, as specified in 2.2 above, shall be raised from 5% to a maximum of 25%. In this case, the entire value of the investments may not exceed 80% of the assets of the relevant Sub-Fund.

2.8 The limits specified in 2.2 to 2.7 above may not be combined. The maximum issuer limit is 35% of the assets per Sub-Fund.

In derogation of section 2.4 and in accordance with Art. 56 of the UCITS Act as well as in accordance with the principle of risk diversification, up to 100% of the assets may be invested in securities and Money Market Instruments, provided that any such securities or instruments are issued or guaranteed by one and the same sovereign issuer. The Sub-Funds must hold securities of at least six different issues, with the securities of one single issue not exceeding 30% of the aggregate amount of the relevant Sub-Fund's assets. The Management Company may invest more than 35% of the value of a Sub-Fund on behalf of a Sub-Fund in debentures of the following issuers, insofar as the issuers and guarantors are the following public-law entities or international organizations:

- all OECD countries;
- all public-law entities from OECD countries;
- the African Development Bank;
- the Asian Development Bank;
- the Council of Europe Social Development Fund;
- Eurofima;
- the European Atomic Energy Community;
- the European Bank for Reconstruction & Development;
- the European Economic Community;
- the European Investment Bank;
- the European Patent Organization;
- the IBRD (World Bank);
- the Inter-American Development Bank;
- the International Finance Corporation;
- the Nordic Investment Bank.

2.9 For the purposes of calculating the investment limits in this section 2 "Investment Restrictions", companies of the same group are deemed to be one single issuer. For investments in securities and/or Money Market Instruments of the same group, the issuer limit shall be raised to a total of 20% of the assets of the relevant Sub-Fund.

2.10 Sub-Funds may invest no more than 20% of their assets in units of the same UCITS or the same collective investment undertakings comparable to a UCITS. A specific investment provision providing for this aspect may be included in the Supplements (target fund eligibility).

Investors' attention is drawn to the fact that, at the level of indirect investments, additional indirect costs and fees are incurred and remuneration is charged, which will be debited directly to the individual indirect investments.

2.11 Investments in units of collective investment undertakings comparable to a UCITS may not, in aggregate, exceed 30% of the assets of the Sub-Fund. These investments shall not be taken into account in respect of the upper limits specified in Art. 54 of the UCITS Act.

2.12 A Sub-Fund may invest no more than 20% of its assets in equities and/or debt securities of one and the same issuer if it is the objective of the relevant Sub-Fund, in accordance with its investment policy, to replicate the performance of a specific stock or bond index that is recognized by the FMA. The prerequisites for this are that:

- the composition of the index is sufficiently diversified;
- the index constitutes an adequate reference basis for the market to which it relates; and
- the index has been published in an appropriate manner.

This limit is 35%, provided that extraordinary market conditions warrant this, particularly in regulated markets where certain securities or Money Market Instruments strongly dominate. Investments up to this upper limit are only possible with one single issuer.

If the limits specified under sections 1 and 2 are exceeded unintentionally or as a result of exercising subscription rights, the Management Company must endeavor as a matter of priority while making sales to normalize this situation while taking the interests of Unitholders into account. A Sub-Fund may deviate from the provisions of section 2 within the first six (6) months following its licensing. However, the principle of risk diversification must continue to be observed.

2.13 The Sub-Funds may subscribe, acquire and/or hold units that were issued or are to be issued by one or more other Sub-Funds of the same UCITS, provided that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund that is invested in this target Sub-Fund; and
- the proportion of assets, which the target Sub-Funds, whose acquisition is intended, are entitled to invest in total, in Units of other UCITS or collective investment undertakings comparable to a UCITS as per their prospectuses or constituent documents, does not exceed 10%; and
- any voting rights that are tied to the securities concerned have been suspended for the period during which they were held by the relevant Sub-Fund, irrespective of any appropriate evaluation in the financial statements and the periodic reports; and
- the value of said securities is taken into consideration, in any case, during the calculation of the Sub-Fund's NAV, as prescribed by the UCITS Act, to verify the minimum net asset level in accordance with the UCITS Act, as long as said securities are held by the relevant Sub-Fund; and
- the fee for the issuance or redemption of Units is not applied several times, i.e. at the level of the Sub-Fund that has invested in the target Sub-Fund on the one hand and at the level of the target Sub-Fund on the other hand.

2.14 Where the investments as per 2.10 account for a significant proportion of the Sub-Fund's assets, the Supplement must contain information on the maximum amount and the annual report must contain information on the maximum share of management fees which the Sub-Fund itself and the undertakings for collective investments as per 2.10 whose units have been acquired, shall bear.

2.15 Where Units are managed, either directly or indirectly, by the Management Company of the UCITS or by a company linked to the Management Company of the UCITS via joint management, control or a qualifying holding, neither the Management Company of the UCITS nor the other company may charge a fee for the issuance or redemption of Units by the UCITS.

2.16 A UCITS does not acquire voting shares of the same issuer for a Sub-Fund managed by it that would enable the UCITS to exercise material influence over the management of the issuer. Material influence is deemed to exist when the shareholding equates to more than 10% of the voting rights with regard to the issuer's shares. Where a lower threshold for the acquisition of voting rights with regard to the same issuer exists in another EEA Member State, this threshold shall apply to the Management Company if the Management Company acquires, for the UCITS or a Sub-Fund, shares of an issuer with registered offices in this EEA Member State.

2.17 For each Sub-Fund, financial instruments of one and the same issuer may not exceed the following limits:

- 10% of the issuer's share capital, as long as this relates to non-voting shares;
- 10% of the total nominal value of the issuer's debt securities or Money Market Instruments, as long as this relates to debt securities or Money Market Instruments. This limit does not need to be adhered to if the total nominal value at the time of acquisition cannot be determined;
- 25% of the units of one and the same UCITS or other undertaking for collective investment comparable to a UCITS. This limit does not need to be adhered to if the net value at the time of acquisition cannot be determined.

2.18	With respect to the above, 2.16 and 2.17 do not apply to: • securities and Money Market Instruments issued or guaranteed by a sovereign issuer; • shares which are held by a Sub-Fund in the capital of a company based in a non-EEA Member State, which company invests its assets primarily in securities of issuers domiciled in the same non-EEA Member State, if – under the laws of said state – such a shareholding constitutes the only opportunity for the Sub-Fund to hold investments in securities of issuers domiciled in said state. In doing so, the requirements of the UCITS Act must be complied with; • shares held by UCITS in the capital of their subsidiaries that organize the redemption of shares, upon Investor request and in the country of domicile, solely for the UCITS.
3	**Deviation from the Investment Limits is Permissible in the Following Cases**
3.1	Sub-Funds are not required to adhere to the Investment Restrictions when exercising subscription rights from securities or Money Market Instruments that are part of their assets.
3.2	When exceeding the above-mentioned thresholds, the Sub-Fund shall strive, first and foremost, for a normalization of this situation through sales, taking into consideration the Unitholders' best interest.
3.3	Within the first six (6) months following their admission, Sub-Funds are exempt from the Investment Restrictions. However, the principle of risk diversification must always be observed.

Appendix 2 – Specific Information for Individual Distribution Countries

Pursuant to the applicable law of the Principality of Liechtenstein, the FMA approves the Investment Conditions. This approval covers only information regarding the implementation of the provisions of the UCITS Law. For this reason, the following Appendix 2 (which is based on foreign law) to the Investment Conditions "Specific information for individual distribution countries" is not subject to the FMA's review and thus not covered by the approval.

Information for Unitholders in Switzerland

1 Representative and paying agent

Pursuant to Swiss law, the representative represents the UCITS (and any of its Sub-Funds) in Switzerland vis-à-vis the Unitholders and the regulatory authority:

- The representative in Switzerland is: LGT Capital Partners Ltd., Schützenstrasse 6, 8808 Pfäffikon, Switzerland.
- The paying agent in Switzerland is: LGT Bank (Switzerland) Ltd., Lange Gasse 15, 4002 Basel, Switzerland.

2 Source for the relevant documents and publications

Unitholders may obtain the Investment Conditions, the KID, the Articles of Association and the annual and semi-annual reports (as and when they have been issued) free of charge from the representative in Switzerland.

All communications to the Unitholders will be published via the electronic platform www.fundinfo.com.

For every issuance or redemption, the issue and redemption price of all Units of the UCITS and/or the net asset value with the notice "exclusive of commissions", respectively, will be published on www.fundinfo.com. The prices will be published at least twice a month. Currently, prices are published on every trading day.

3 Place of performance and jurisdiction

For Units distributed in Switzerland, the place of performance and jurisdiction is the registered office of the Swiss representative or at the registered office or place of residence of the Unitholder.

4 Tax information

Unitholders subject to Swiss taxation are asked to consult their own professional tax consultant with regard to the tax consequences of holding, buying and selling units in the UCITS or any of its sub-funds.

5 Payment of retrocessions and rebates

(a) The Management Company and its delegates may pay retrocessions to cover distribution and marketing activities of the UCITS' Units in Switzerland.

Such retrocessions may be used in particular to pay for the following services:

- Operation of fund trading platforms and/or trading infrastructure services, which provide access to fund subscriptions;
- the arrangement of road shows;
- participation in events and trade fairs;
- production of marketing material;
- training of distribution agents; and/or
- generally any other activities which are intended to promote and market the UCITS' Units.

Retrocessions are not deemed rebates even if they are (partly or in full) forwarded to Unitholders.

Disclosure of the receipt of retrocessions is based on the applicable provisions or FinSA.

(b) The Management Company and its delegates may in relation to the distribution activity of the UCITS' Units in Switzerland upon request pay rebates directly to Unitholders. Rebates aim to reduce the fees and costs paid by the relevant Unitholders. Rebates are permitted if they:

i are paid from fees earned by the Management Company and therefore cause no additional costs to the UCITS;

ii are paid based on objective criteria;

iii are offered to all Unitholders equally, which fulfil such objective criteria and demand rebates.

The objective criteria for the payment of rebates by the Management Company are (which may be applied separately or any combination thereof):

Assets invested	Aims to reward sizeable commitments to the Company and develop long-term relationships (including assets invested in LGT Capital Partners Ltd. sponsored entities)
Seed money	For Unitholders who invest upon launch and / or within a certain period after launch; aims to reward taking the risk of investing in a fund with no operating history and / or track-record.
Employees of LGT Capital Partners	In order to promote further the alignment of interest between the Company's investors and LGT Capital Partners Ltd. and its affiliated entities, employees may receive rebates in order to encourage investments.
Fees	Taking into account the amount of earnings generated by the Unitholder for LGT Capital Partners Ltd. and its affiliated entities
Investor's investment characteristics	Reward long-term commitment to the Company and avoidance of high trading frequency which may have a negative impact on the Company's trading costs: • based on expected time that the investor will stay invested • contractual agreement to lock-up periods • expected and / or actual frequency of trades
Institutional investors	Institutional investors economically hold the shares for third parties: i life insurance companies; ii pension funds and other types of pension schemes; iii investment foundations; iv Swiss fund management companies; v foreign fund management companies and fund companies; vi investment companies
Distributors/Offering agents and fund trading platforms	As described above the Management Company may pay retrocessions to distribution/offering and placement agents and trading infrastructure providers for their services. Such retrocessions will be deducted from any rebates payable. This may result in no rebates being paid to the relevant underlying investors despite them being entitled to receive rebates based on the criteria set out above.
Financial Intermediaries	Some institutional investors and foundations have engaged specialised investment advisers as outsourced chief investment officers, who provide them with tailor made

	investment proposals that include shares in the Company. As this facilitates the distribution and investor relationship management, it may provide a rebate to all investors who have appointed such investment adviser.

Upon the request of a Unitholder the Management Company will disclose the effective amount of rebates free of charge.

1 June 2023

Additional information for Unitholders in the Federal Republic of Germany

The distribution of the Units of the Sub-Funds in the Federal Republic of Germany has been notified to the German Federal Financial Supervisory Authority (BaFin) in accordance with section 310 of the German Capital Investment Code (KAGB).

1 Facilities in the Federal Republic of Germany

The UCITS has appointed the following facilities to perform the tasks listed in Article 92 Directive (EU) 2019/1160:

(a) Process subscription and redemption orders and make other payments to Unitholders relating to the units of the UCITS, in accordance with the conditions set out in the Investment Conditions and the KID: **LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, info@lgt.com**

(b) Provide Unitholders with information on how orders referred to in point (a). can be made and how redemption proceeds are paid: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(c) Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 Directive 2009/65/EG relating to the Unitholders' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(d) Make the information and documents required pursuant to Chapter IX Directive 2009/65/EG available to Unitholders under the conditions laid down in Article 94 Directive 2009/65/EG, for the purposes of inspection and obtaining copies thereof: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(e) Provide Unitholders with information relevant to the tasks that the facilities perform in a durable medium: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(f) Act as a contact point for communicating with the competent authorities **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

Resident German Unitholders can obtain the Investment Conditions, the KID, the Articles of Association, the most recent annual report, and the semi-annual report, if issued later, – all these documents in hard copy – as well as the current issue, redemption, and conversion prices of the Units from the facilities entities free of charge.

2 Publication of prices

All issue and redemption prices of the Sub-Fund and all other notices are published on the LAFV (*Liechtensteinischer Anlagefondsverband*) website: www.lafv.li as the publication medium of the UCITS and, if applicable, on the website: www.lgtcp.com/en/regulatory-information.

The information is provided to Unitholders in Germany by means of a durable medium in accordance with section 167 of the Investment Code in German language and generally in electronic form (section 298 (2) of the Investment Code):

(a) the suspension of the redemption of units in an investment fund,

(b) the termination of the management or winding-up of an investment fund,

(c) amendments to the Articles of Association incompatible with the current investment principles, affecting material Investor rights or concerning remuneration and reimbursement for expenses which may be taken from the investment fund's assets,

(d) the merging of investment funds in the form of merger information to be prepared in accordance with Article 43 of the Directive 2009/65/EC, and

(e) the conversion of an investment fund into a feeder fund or changes to a master fund in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

3 Taxation

The taxation of income for German Unitholders from foreign investment funds under German law follows a complex system. Unitholders are therefore advised to carefully consider their tax position and contact their personal tax advisors.

Dated 1 February 2025

Additional information for Unitholders in Austria

1 Facilities in Austria

The UCITS has appointed the following facilities to perform the tasks listed in Article 92 Directive (EU) 2019/1160:

(a) Process subscription and redemption orders and make other payments to Unitholders relating to the Units of the UCITS, in accordance with the conditions set out in the Investment Conditions and the KID: **LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, info@lgt.com**

(b) Provide Unitholders with information on how orders referred to in point (a). can be made and how redemption proceeds are paid: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(c) Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 Directive 2009/65/EG relating to the Unitholders' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(d) Make the information and documents required pursuant to Chapter IX Directive 2009/65/EG available to Unitholders under the conditions laid down in Article 94 Directive 2009/65/EG, for the purposes of inspection and obtaining copies thereof: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(e) Provide Unitholders with information relevant to the tasks that the facilities perform in a durable medium: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(f) Act as a contact point for communicating with the competent authorities **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

2 Publication of prices

All issue and redemption prices of the UCITS and all other notices are published on the LAFV (*Liechtensteinischer Anlagefondsverband*) website: www.lafv.li as the publication medium of the UCITS and, if applicable, on the website: www.lgtcp.com/en/regulatory-information.

Neither the UCITS nor the Management Company is subject to the supervision of the FMA or any other government supervision by an Austrian public authority.

The English version of the Investment Conditions, the KID and the Articles of Association as well as of other documents and publications shall be authoritative.

Dated 1 February 2025

Additional information for Unitholders in Denmark

The UCITS has notified the Danish Financial Supervisory Authority (Danish FSA) of its intention to sell its Units in Denmark in accordance with the laws of Denmark.

The UCITS will market its Units to retail and professional investors.

1 Facilities in Denmark

The UCITS has appointed the following facilities to perform the tasks listed in Article 92 Directive (EU) 2019/1160:

(g) Process subscription and redemption orders and make other payments to Unitholders relating to the Units of the UCITS, in accordance with the conditions set out in the Investment Conditions and the KID: **LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, info@lgt.com**

(h) Provide Unitholders with information on how orders referred to in point (a). can be made and how redemption proceeds are paid: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(i) Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 Directive 2009/65/EG relating to the Unitholders' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(j) Make the information and documents required pursuant to Chapter IX Directive 2009/65/EG available to Unitholders under the conditions laid down in Article 94 Directive 2009/65/EG, for the purposes of inspection and obtaining copies thereof: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(k) Provide Unitholders with information relevant to the tasks that the facilities perform in a durable medium: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(l) Act as a contact point for communicating with the competent authorities **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

Dated 1 February 2025

Additional information for Unitholders in Sweden

Att investera i finansiella instrument innebär alltid en risk. Instrumenten kan såväl öka som minska i värde och det är inte säkert att du får tillbaka det investerade kapitalet. Historisk avkastning är ingen garanti för framtida avkastning. Du bör ta del av såväl faktablad som informationsbroschyr innan du beslutar dig för att investera i en fond.

1 Facility in Sweden

The UCITS has appointed the following facilities to perform the tasks listed in Article 92 Directive (EU) 2019/1160:

(a) Process subscription and redemption orders and make other payments to Unitholders relating to the Units of the UCITS, in accordance with the conditions set out in the Investment Conditions and the KID: **LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, info@lgt.com**

(b) Provide Unitholders with information on how orders referred to in point (a). can be made and how redemption proceeds are paid: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(c) Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 Directive 2009/65/EG relating to the Unitholders' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(d) Make the information and documents required pursuant to Chapter IX Directive 2009/65/EG available to Unitholders under the conditions laid down in Article 94 Directive 2009/65/EG, for the purposes of inspection and obtaining copies thereof: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(e) Provide Unitholders with information relevant to the tasks that the facilities perform in a durable medium: **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

(f) Act as a contact point for communicating with the competent authorities **LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, lgt.cp.ls-legal@lgtcp.com**

Dated 1 February 2025

Additional information for Unitholders in United Kingdom

LGT Funds SICAV is incorporated with limited liability as an investment company with variable capital under the laws of Liechtenstein and is authorised by the Financial Market Authority of Liechtenstein as an undertaking for collective investment in transferable securities ("**UCITS**").

The information contained in this United Kingdom Country Supplement ("**UK Supplement**") is for UK based investors considering investing in Units in any of the following sub-funds of the UCITS:

- LGT EM LC Bond Fund
- LGT Sustainable Bond Fund Global
- LGT Sustainable Bond Fund Global Hedged
- LGT Bond Fund Global Inflation Linked
- LGT Sustainable Equity Funds Global

(each a "**Sub-Fund**" and, together, the "**Sub-Funds**").

Information contained in this UK Supplement is selective, containing specific information in relation to the UCITS and the Sub-Funds. This UK Supplement is for distribution only in the United Kingdom and forms part of and should be read in conjunction with the prospectus document entitled "Investment Conditions including Sub-Fund Supplements" of the UCITS dated 3 August 2026 as amended or supplemented from time to time (the "**Prospectus**"). References in this UK Supplement to the Prospectus mean the Prospectus together with this UK Supplement. In addition, words and expressions defined in the Prospectus will have the same meaning in this UK Supplement unless another definition is specified in the UK Supplement.

The Prospectus and any Key Information Document ("**KID**") relating to the Sub-Funds may only be distributed in the UK when accompanied by this UK Supplement. The Prospectus and KIDs are available at www.lafv.li.

You should not buy Units in any Sub-Fund unless you fully understand the nature of such an investment and the risks involved and are satisfied that they are suited to your own personal circumstances and objectives. If you are in any doubt about the contents of this UK Supplement, the Prospectus, or a KID, you should consult a professional adviser before investing in a Sub-Fund.

Dated 3 August 2026

The UCITS is an EEA UCITS Scheme established in Liechtenstein and authorised by the Financial Market Authority of Liechtenstein, and the UCITS and each of the Sub-Funds is recognised by the Financial Conduct Authority (the "**FCA**") for marketing in the UK under section 271A of the Financial Services and Markets Act 2000 ("**FSMA**"). The UCITS is not a UK authorised fund. Units in the Sub-Funds may be promoted in the UK to the general public by persons who are authorised to carry on investment business in the UK. The Prospectus (including this UK Supplement) is a financial promotion under Section 21 FSMA.

The manager of the UCITS is LGT Capital Partners (FL) Limited (the "**Management Company**").

The depositary of the UCITS is LGT Bank Limited (the "**Depositary**").

The FCA Product Reference Number ("**PRN"**) for the UCITS is 752097.

The PRN for the Sub-Funds is set out below.

- LGT EM LC Bond Fund: 781332
- LGT Sustainable Bond Fund Global: 781333
- LGT Sustainable Bond Fund Global Hedged: 752100
- LGT Bond Fund Global Inflation Linked: 752098
- LGT Sustainable Equity Fund Global: 752099

Feeder UCITS

Each of the following Sub-Funds is a feeder UCITS (a "**Feeder Fund**"):

- LGT EM LC Bond Fund
- LGT Sustainable Bond Fund Global
- LGT Sustainable Bond Fund Global Hedged
- LGT Sustainable Equity Fund Global

Each of the Feeder Funds invest in a sub-fund of a Master UCITS (each a "**Master Fund**"). Details of the Master Funds and the Information Sharing Agreement in relation to each of the above Sub-Funds are set out in the Prospectus.

Facilities Agent

LGT Capital Partners (U.K.) Limited (the "**Facilities Agent**") has been appointed, pursuant to an agreement with the Manager dated 1 September 2019, as amended from time to time, to act as the representative and paying agent for the UCITS in the UK and it has agreed to provide certain facilities at its office at 1 St. James's Market, London, SW1Y 4AH, United Kingdom, in respect of the Sub-Funds. The Facilities Agent will receive fees as determined from time to time between the Manager and the Facilities Agent, which will be at usual commercial rates.

Copies of the following documents in English are available to inspect at the Facilities Agent:

(a) the articles of association of the UCITS;

(b) the Prospectus, including the Supplements relating to each of the Sub-Funds;

(c) the KIDs for each of the Sub-Funds;

(d) the latest annual and half yearly report and accounts of the UCITS;

(e) the Prospectus of the Master UCITS; and

(f) any notices issued to Unitholders.

Dealing Arrangements and Information

Investors' attention is drawn to the section headed "Unit Dealings" in the Prospectus, and the section headed "Unit Dealing" in the relevant Sub-Fund Supplement in the Prospectus in relation to each of the Sub-Funds. In particular, investors should note the Dealing Deadlines for subscription and redemption (or repurchase) of Units in the relevant Sub-Fund. Applications for Subscriptions or Redemptions should be sent to the Administrator, details of which are contained in the Prospectus.

The Subscription Price per Unit is the Net Asset Value per Unit as at the relevant Valuation Point less any Preliminary Charge and the Redemption Price per Unit is the Net Asset Value per Unit as at the relevant Valuation Point less any Redemption Charge. Details of Preliminary Charges or Redemption Charges are set out in the relevant Sub-Fund Supplement.

Making a Complaint

A UK investor who wishes to make a complaint may contact the Facilities Agent at the address stated above or write to the Manager at:
lgt.cp@lgtcp.com
or write to
Pierre-André Wirth
LGT Capital Partners (FL) Limited
Herrengasse 12
9490 Vaduz
Liechtenstein

An alternative dispute resolution scheme is operated in Liechtenstein for the resolution of disputes between financial services enterprises (which include the Management Company and the Depositary) and their clients from countries outside the European Economic Area. Therefore, UK investors may have access to this scheme to refer a complaint for resolution. The Facilities Agent or the Management Company can provide further information about the rights of access to this scheme.

UK investors should note that the Financial Ombudsman Service in the UK is unlikely to be able to consider a complaint about the Management Company or the Depositary.

Rights to Compensation

UK investors are unlikely to have access to protection from the UK Financial Services Compensation Scheme. Certain UK investors may have the right to compensation from the Liechtenstein Compensation Scheme ("**EAS Liechtenstein**") for any losses suffered if the Depositary is unable to meet its liabilities to investors in the Sub-Funds. The Facilities Agent of the Management Company can provide further information about the rights of UK investors to access the EAS Liechtenstein.

Cancellation Rights

A UK investor who enters into an agreement to subscribe for Units in a Sub-Fund on the basis of information contained in the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the FCA. The agreement to subscribe for Units will therefore be binding upon acceptance of the order by the Management Company on behalf of the relevant Sub-Fund.

Fees and Expenses

Information relating to the fees and expenses payable by investors is set out in the section headed "Fees and Expenses" in the Prospectus and of each of the Sub-Fund Supplements relating to the Sub-Funds. These sections of the Prospectus include details of the charges that are payable by the UCITS or a Sub-Fund and investors should ensure they understand the potential impact such charges can have on their investment.

Benchmarks

Where a Sub-Fund is managed by reference to a Benchmark, information about the Benchmark, and how it is used for investment management is contained in the Prospectus in the supplement for the Sub-Fund concerned. UK Investors should refer to the Prospectus for further details.

Use of Derivatives

Each of the Sub-Funds is permitted to invest in derivatives, (referred to in the Prospectus as “Financial Derivative Instruments” or “FDIs”) for investment, hedging and efficient portfolio management purposes. UK investors should refer to the relevant Sub-Fund Supplement relating to the Sub-Fund concerned in the Prospectus for further information on how derivatives are used in the investment strategy, and the potential risks of a Sub-Fund investing in derivatives.

United Kingdom Taxation

The following is intended as a general guide to the United Kingdom tax treatment of ownership of the Units in the Sub-Funds under current legislation and published United Kingdom HM Revenue & Customs’ (“**HMRC**”) practice at the date of this document, both of which are subject to change at any time. It only deals with the general United Kingdom tax position of certain Unitholders resident solely in the United Kingdom who hold the Units as investments. It does not deal with other Unitholders (such as dealers in securities, insurance companies and collective investment schemes) whose tax position might in some cases be different. The information given is by way of general summary only and does not constitute legal or tax advice to any person.

Unitholders who are in any doubt about their tax position, or who are taxable in a jurisdiction other than the United Kingdom should obtain detailed tax advice.

It should be noted that the levels and bases of, and reliefs from, taxation can change.

The UCITS

The UCITS intends that its affairs should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the UCITS is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all its trading transactions (if any) in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the UCITS will not be subject to United Kingdom corporation tax or income tax on its profits. The UCITS, the Management Company and the Investment Manager each intend that the affairs of the UCITS are conducted so that these requirements are met insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the UCITS which has a United Kingdom source may be subject to withholding taxes or other taxes in the United Kingdom.

UK Investors

The Offshore Funds (Tax) Regulations 2009 (the "**Offshore Funds Regulations**") provide that if an investor who is resident in the United Kingdom for taxation purposes holds an interest in an “offshore fund” (as defined in Part 8 of the UK Taxation (International and Other Provisions) Act 2010 (“**TIOPA**”)), any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (“offshore income gains”) and not as a capital gain, unless that offshore fund has been a “reporting fund” throughout the period during which the investor holds that interest.

Each Class of Units of each Sub-Fund of the UCITS is an “offshore fund” for the purposes of the United Kingdom tax legislation.

The UCITS has not obtained “reporting fund” status from HMRC with respect to any Class of Units of the LGT EM LC Bond Fund or LGT Sustainable Bond Fund Global, or certain Classes of Units in the other Funds. It is not currently intended to apply to HMRC in respect of any such non-reporting fund status Class of Units in the Funds for recognition as a reporting fund. However, the Management Company reserves the right to apply to HMRC to elect one or more non-reporting funds status Classes of Units of the Funds to have "reporting fund" status in future. Accordingly, any gains arising to Unitholders resident in the United Kingdom on a sale, redemption or other disposal of such “non-reporting fund” status Units would be taxed as offshore income gains, rather than capital gains.

The Management Company has applied to the HMRC in respect of certain Class of Units in certain Sub-Funds for recognition as a reporting fund. Details of the Classes of Units that have reporting fund status may be found on the HMRC’s website at http://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds. The effect of obtaining and maintaining such status for a particular Class of Units throughout a Unitholder’s relevant period of ownership would be that

any gains on disposal of such Units would be taxed as capital gains, with relief for any accumulated or reinvested profits which have already been subject to United Kingdom income tax or corporation tax on income. However, there can be no guarantee that reporting fund status will be obtained and/or maintained for any Class of Units in a Sub-Fund in relation to which an application is made. Were such application to be unsuccessful or such status subsequently to be withdrawn, any gains arising to Unitholders resident in the United Kingdom on a sale, redemption or other disposal of such Units (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains.

The position will be different for Unitholders within the charge to UK corporation tax where the "loan relationships regime" applies instead (as to which see below).

Where an offshore fund may have been a non-reporting fund for part of the time during which the UK Unitholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the UK Unitholder in order to ensure that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits (from the date of change in status of the offshore fund) in which they can be made. The impact of such elections is that the UK Unitholder is deemed for UK tax purposes to dispose of their related interests in a non-reporting fund and re-acquire interests in a reporting fund (or vice versa) on the date that the non-reporting fund converted to a reporting fund (or vice versa), and is required to pay UK tax on any deemed gains crystallised on the conversion and on any gain made between conversion and disposal of the interests accordingly. Where a UK Unitholder holds a Class of Units in respect of which there is such a change of offshore fund status during their period of ownership, such UK Unitholder should take appropriate tax advice.

Subject to their personal circumstances, persons resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by a Sub-Fund, whether or not reinvested. In addition, UK Unitholders holding Units with "reporting fund status" at the end of each "reporting period" (as defined for United Kingdom tax purposes) will be subject to United Kingdom income tax or corporation tax on their share of a Class's "reported income", to the extent that this amount exceeds distributions received. The excess of reported income over cash distributions will be treated as dividends received from a foreign corporation, unless (in the case of individual Unitholders) they are recharacterized as interest or (in the case of corporate Unitholders) the "loan relationships regime" applies instead, under the rules discussed below.

Special rules relevant to Unitholders in Feeder Funds apply in certain circumstances for determining the reported income of a Class if it is a reporting fund. Where a Class invests in other funds which are themselves reporting funds, any income received from or reported by such funds must be included in the reportable income of the Class for the period. However, where a Class invests in a non-reporting fund, there are two possible outcomes. Broadly, where the Class has sufficient information to allow it to compute the income of the underlying fund, then generally the Class can use the appropriate proportion of this for the purposes of computing its own income and treat the Class's holding in the underlying fund as if such underlying fund is a reporting fund. If this is not possible, then the Class must bring the fair value increase of its holding in the underlying fund over the Class's accounting period (i.e. it computes the fair value at the beginning of the period and deducts that amount from the fair value at the end of the period) into account as its income. This would result in the Class reporting this amount to its Unitholders as reported income, which would generally be unfavourable for tax paying UK Unitholders. There is provision for carry forward of fair value losses, so that they can be offset against future fair value gains.

If over 60 per cent. of the market value of the assets of a Sub-Fund of the UCITS are invested in interest-bearing investments or other debt instruments (and/or in other collective investment scheme which have over 60% by market value of their assets so invested), distributions made by a Sub-Fund to a United Kingdom resident individual Unitholder will be treated for UK tax purposes as payments of interest rather than as dividend distributions.

A United Kingdom resident corporate Unitholder will be liable to United Kingdom corporation tax in respect of their share of the dividend income paid by a Sub-Fund to such Unitholder, unless the dividend (or deemed dividend) falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. Unitholders within the charge to United Kingdom corporation tax are advised to consult their independent professional tax advisers to determine whether the dividend income will be subject to United Kingdom corporation tax.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the "loan relationships regime") provides that, if at any time in an accounting period such a person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Fund Regulations and the TIOPA, and there is a time in that period when that fund fails to satisfy the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the "qualifying

investments test" at any time when more than 60 per cent of its assets by market value (excluding cash awaiting investment) comprise government and corporate debt securities, cash on deposit, certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments test". The Units will constitute interests in an offshore fund. On the basis of the investment policies of certain Sub-Funds (and also, in the case of the Feeder Funds, the corresponding Master Funds), such a Sub-Fund could fail to satisfy the " qualifying investments test". In that eventuality, the Units in such a Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Units in that Sub-Fund in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a person who acquires such Units in the that Sub-Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

Anti-avoidance

The attention of individuals resident in the United Kingdom for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, which contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the UCITS.

The Controlled Foreign Company Rules ("**CFC Rules**") within Part 9A of TIOPA, can attribute, for UK tax purposes, a proportion of chargeable profits (not including capital gains) of a controlled foreign company to a United Kingdom corporate Unitholder which has (either alone or together with persons connected or associated with it for UK tax purposes) an interest of 25% or more in the controlled foreign company. United Kingdom resident corporate Unitholders, therefore, should take their own specific professional advice on whether or not they are affected by these rules.

The attention of person resident in the United Kingdom for taxation purposes is drawn to the provisions of section 3 Taxation of Chargeable Gains Act 1992 ("section 3", formerly section 13 of that Act). Section 3 could be material to any such person who has an interest in the UCITS as a "participator" for United Kingdom taxation purposes (which term includes a unitholder) at a time when any gain accrues to the UCITS (such as a disposal of any of its investments) which constitutes a chargeable gain or offshore income gain if, at the same time, the UCITS is itself controlled by five or fewer participators (or any number of participators who are also directors) so as to render the UCITS a body corporate that would, were it resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of section 3 would result in any such person who is a Unitholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the UCITS had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the UCITS. No liability under section 3 could be incurred by such a person, however, in respect of a chargeable gain or offshore income gain accruing to the UCITS if the aggregate proportion of that gain that could be attributed under section 3 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed twenty five per cent of the gain. In addition, section 3 does not apply where the asset giving rise to the gain was neither disposed of not acquired or held as part of a scheme or arrangements having a tax avoidance main purpose.

Transfer taxes

Transfers of Units will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within, or brought into, the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent. of the consideration paid (rounded up where necessary to the nearest £5). No United Kingdom stamp duty reserve tax is payable on transfers of Units, or agreements to transfer Units provided the Units are not registered in any register of the UCITS kept in the United Kingdom.

FATCA and similar measures

The attention of Unitholders is drawn to section headed "Taxation" of the Prospectus, which outline the obligations of the UCITS in relation to automatic exchange of information regimes relating to taxation (including under "FATCA" and the "OECD Common Reporting Standard"). The UCITS' compliance with these regimes will require that the Unitholders provide certain information to the UCITS that the UCITS may need to report to relevant tax authorities.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Sustainable Money Market Fund (CHF)

Sub-Fund Supplement

LGT Sustainable Money Market Fund (CHF)

1 Introduction

This Supplement contains specific information in relation to LGT Sustainable Money Market Fund (CHF) (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for hedging purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have low volatility.

The additional qualitative and quantitative information prescribed by Article 36 (2) of the MMF Regulation regarding the portfolio of the Sub-Fund is published at least weekly on www.fundinfo.com

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Oriented Fund. The UCITS reserves the right to reassess this consideration at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Oriented Fund, this Supplement shall be updated accordingly.

Money market funds are not permitted to invest into this Sub-Fund.

3 General

Base Currency	means Swiss Francs. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Dividend policy	The UCITS does not currently intend to make any dividend payments in respect of any of the Classes of the Sub-Fund.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors with a low risk appetite who want to be able to liquidate their investment at short notice.

Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. This investment type is subject to a limited degree of interest rate risk, which may have negative effects on net assets, since most assets of the Sub-Fund are invested in money-market and similar securities. Both issuer and market risk may be said to be relatively low but may not be completely excluded. The Sub-Fund is a money market fund. Regarding the specific risks of investing in money market funds investors should note (a) that a money market fund is not a guaranteed investment. (b) that an investment in money market funds is different from an investment in deposits because of the risk that the principal amount invested is capable of fluctuation. (c) that the Sub-Fund does not rely on external support guaranteeing the liquidity of the Sub-Fund or stabilising the net asset value per share. (d) that the risk of loss of the principal amount invested into the Sub-Fund is borne by the investor.

4 Investment management

Investment Objective	The Investment Objective of the Sub-Fund is to achieve adequate returns in the currency of account while also safeguarding the capital and liquidity of assets of the Sub-Fund and contributing to long-term social, economic and environmental well-being globally. There can be no assurance that the Sub-Fund will achieve its investment objective, and investment results may vary substantially over time especially in times of negative nominal interest rates. The Sub-Fund is a *Standard VNAV MMF*.
Investment Focus	Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions and the MMF Regulation, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) in debt securities and instruments as well as in in money market instruments, as further described below under Permitted Investments & Techniques. (all together the "**Target Asset Classes**"). The Sub-Fund does not pursue a specific sectoral focus.
Permitted Investments & Techniques	The Sub-Fund may invest in debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), as well as money market instruments issued by private and public-law debtors from all over the world, in term deposits and time deposits with banks in Liechtenstein, in any other member state of the EEA or in Switzerland. Subject to the Sub-Fund's investment restrictions and the UCITS law, the Sub-Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Sub-Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the Investment Manager's sole judgement, provide the best profit opportunities and are consistent with the Sub-Fund's investment objective and permitted investments.

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

In accordance with the principle of risk diversification, with the approval of the competent supervisory authority, the Sub-Fund is authorised to invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the EU; the national, regional and local administrations of the Member States of the EU or their central banks; the European Central Bank, the European Investment Bank; the European Investment Fund; the European Stability Mechanism; the European Financial Stability Facility; a central authority or central bank of a third country; the International Monetary Fund; the International Bank for Reconstruction and Development; the Council of Europe Development Bank; the European Bank for Reconstruction and Development; the Bank for International Settlements or any other relevant international financial institution or organisation to which one or more Member States belong. The above exception applies only if the following requirements are met: (i) the Sub-Fund holds money market instruments in at least six different issues of the issuer, and (ii) the Sub-Fund restricts its investment in money market instruments from a single issue to a maximum of 30% of its assets.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

The Sub-Fund may gain exposure to the Target Asset Classes:

(a) by direct investment in various underlying securities, such as bonds, fixed-rate securities, notes and others;

(b) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes;

The Sub-Fund is restricted to holding a portfolio of investments with a weighted average remaining time to maturity of not more than 6 months, with floating rate investments being deemed to mature on the next interest rate adjustment date for the purpose of calculating the individual remaining times to maturity of the assets and the weighted average remaining time to maturity of the portfolio.

The Sub-Fund is further restricted to holding a portfolio of investments with a weighted average time to final maturity of not more than 12 months, with fixed as well as floating rate investments being deemed to mature at their final maturity for the purpose of calculating the weighted average final maturity of the portfolio.

Investments may only be made in securities with a remaining time to maturity before the payout of the nominal value of not more than 2 years whose next interest rate adjustment date must not be later than 397 days after the time of the investment.

The Sub-Fund may utilize FDIs (exchange traded or over-the-counter) to hedge the interest rate or exchange rate risks inherent in the Sub-Fund's other investments, such as:

(a) futures (including interest rate futures, financial futures, currency futures and index futures);

(b) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps);

(c) forwards (including currency forwards and non-deliverable forwards);

	Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies.
Investment Strategy	The Sub-Fund's portfolio is actively managed and is not managed in reference to a benchmark. When selecting investments, the Investment Manager undertakes an ESG analysis of the investment universe of the Sub-Fund in order to promote environmental and/or social characteristics. Please refer to Annex I to this Supplement for further details.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements. All types of assets which may be held by the Sub-Fund in accordance with its investments objective and policy may be subject to a Securities Financing Transaction. The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 30% of the Net Asset Value. However, the expected proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is approximately 25% of the Net Asset Value. The exposure held by the Sub-Fund through Securities Financing Transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. In any case, the most recent semi-annual and annual report of the UCITS will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of the Sub-Fund's assets subject to Securities Financing Transactions. Please see the section Risk Factors in the Investment Conditions for details of the risks associated with Securities Financing Transactions. Please see the section Securities Financing Transactions and Total Return Swaps in the Investment Conditions for further details in respect of the use of Total Return Swaps and Securities Financing Transactions.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI. See the section of the Investment Conditions entitled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI.

	The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favorably or un-favorably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Management Company utilizes a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the modified commitment approach.
Leverage	The Sub-Fund uses the modified commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	The Sub-Fund shall not engage in borrowing transactions.

6 Unit dealing

Dealing Day	means a Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS of the Management Company.

Investor Eligibility	means particular investor eligibility requirements in respect of each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means every Business Day, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23:59 CET on the relevant Valuation Day.

Dilution Adjustments	Partial Swing Pricing. The Net Asset Value of the Sub-Fund may, on any Valuation Day, be adjusted upwards or downwards by a maximum of 1,5% (the "**Swing Factor**") in accordance with the section of the Investment Conditions titled Swing Pricing, to reflect the costs attributable to Net Subscription or Net Redemption applications received in relation to the Sub-Fund. The Swing Factor may be applied only on Valuation Days on which the aggregate net investor transactions in the Sub-Fund (Net Subscriptions or Net Redemptions) exceed 5% of the Net Asset Value of the Sub-Fund (the "**Swing Threshold**").

7 Fees & expenses

Establishment and Operational Fees and Expenses	The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly.

This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below.

Fees of the Management Company

The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(CHF) B	LI0015327682	CHF	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.50[2]%	Permitted	1,084.60	01.04.2003

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(CHF) I1	LI0036240328	CHF	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.05%	0.25[2]%	Permitted	1,000	[ ]

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(CHF) C	LI0247153419	CHF	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.25[2]%	Not permitted	1,000	07.11.2014

Unit Classes open only to specific groups of investors§:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(CHF) IM	LI0134096960	CHF	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.25%	Permitted	1,000	[ ]

1 Denominated in Class Currency.

2 The flat-rate remuneration is made up of two components: a fixed fee and an interest-linked fee using the Swiss Average Rate Overnight (SARON). The SARON in any month shall be the official fixing on the last working day of the previous month. In the case of negative interest rates, a SARON of zero shall be applied in the calculation of the flat-rate remuneration, i.e. the minimum fee charged shall be the fixed fee component.

These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

§ These Classes shall only be open for persons or entities, who at the time of the subscription, belong to one of the following groups:

- directors of any company of LGT Group;
- employees (including part-time employees) with a permanent employment contract of any company of LGT Group;
- recipients of retirement and disability pensions from LGT Group, however, pension recipients with external membership according to the regulations of the staff benefits foundation are excluded;
- widows and widowers of former employees or pension recipients of LGT Group, however, widows and widowers of former employees or pension recipients with external membership according to the regulation of the staff benefits foundation are excluded;
- children of employees as well as children of retired or deceased employees of any company of LGT Group until the completion of their 18th year and if the children are not included in any group above;
- any other persons who are entitled to employee concessions of any company of LGT Group; or
- clients of LGT Group companies that have entered into a respective cooperation, advisory or discretionary management agreement.

.

SFDR Annex

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: LGT Funds SICAV – LGT Sustainable Money Market Fund (CHF)

Legal entity identifier: 5493006JXNHQ7J3FXZ97

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ Yes
- ☒ No

- ☐ It will make a minimum of sustainable investments with an environmental objective: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of sustainable investments with a social objective: ___%
- ☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% 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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** The 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?

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

The Sub-Fund promotes environmental and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818. Different factors apply to companies and to governments as the issuer of the instruments.

For example, the following companies are excluded from investment consideration:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

For example, countries are excluded from investment consideration based on the below criteria:

- if the country has not signed certain international treaties on *controversial weapons;*
- if the country fails to meet basic requirements with respect to *human rights and democracy* (assessed among other things based on Freedom House Index, rating of the Reporters Without Boarders Press Freedom, ratification of conventions and treaties in respect of human rights and labour conditions)*;*
- if the country has a high level of *corruption* (assessed among other things based on Transparency International Corruption Perception Index and if a country's military budget exceeds 4% of gross domestic product)*;*
- if the country is subject to sanctions under Art 41 of the UN security council *to eliminate terrorism and weapons proliferation, oppose human rights violations or violations of international treaties, money laundering and deliberate destabilization of sovereign countries and drug trafficking;* or
- if the country is considered a jurisdiction with *strategic AML/CFT deficiencies* by the Financial Action Task Force ("FATF").

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an issuer that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (and therefore promoted as environmental and/or social characteristics by the Sub-Fund):

- In respect of companies as issuers*: greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.
- In respect of supranational organisations as issuers*: controversial practices, business ethics & product responsibility, environmental principles and action plans, community & human rights.*
- In respect of countries as issuers: *CO2 intensity, biodiversity and resources, corruption and business climate, public spending for education.*

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable issuers and/or issuers in the investment monitoring process.
- **Sustainable Investments.** The aggregate weight of sustainable investments held by the Sub-Fund shall be calculated and used to measure the attainment by the Sub-Fund of the environmental and/or social characteristics it promotes.
- **United Nations Sustainable Development Goals ("UN SDGs")**. Sustainable investments of

the Sub-Fund target a combination of environmental and social objectives across the spectrum based on the alignment of such investments with the UN SDGs. Thus, another factor contributing to whether the Sub-Fund is attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its policy relating to investing in sustainable investments. The Investment Manager considers as sustainable investments, which are aligned with SFDR, only instruments which either:

i. qualify as a Green, Social or Sustainable use of proceeds ("**UOP**") instrument according to the principles of the International Capital Markets Associations ("**ICMA**"), which align with UN SDGs, or

ii. have a positive net contribution to UN SDGs by virtue of the issuer's net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment) to an environmental or social objective.

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

The Sub-Fund aims to invest in issuers that positively contribute to the UN SDGs, thus promoting environmental and/or social characteristics through a combination of environmental and social objectives.

An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation related research), climate change mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of the Investment Manager's "do no significant harm" ("DNSH") assessment in respect of issuers as well as in respect of projects that are financed through the UOP instruments. A sudden drop due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Investment Manager for each of the mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors in the context of sustainable investments are considered in the following manner:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to

- Principal adverse impact indicators are captured under the DNSH principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Investment Manager monitors breaches and controversies regarding new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Investment Manager will seek to exclude the issuer from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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

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

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

(d)

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

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

✖ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight into the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Investment Manager's website and the Sub-Fund's forthcoming annual report.

☐ No

What investment strategy does this financial product follow?

In seeking to achieve the investment objective, the Sub-Fund will invest most of its assets in debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), as well as money market instruments issued by private and public-law debtors from all over the world, in term deposits and time deposits with banks in Liechtenstein, in any other member state of the EEA or in Switzerland as well as in units of other undertakings for collective investments in transferable securities and undertakings comparable to a UCITS which invest their assets in accordance with the investment policy (money market funds and/or money market funds with short maturities) of this Sub-Fund.

The Sub-Fund Fund integrates environmental and / or social characteristics as part of its investment process, as outlined in this SFDR Annex.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy**. Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?" The application of the ESG exclusion policy is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **Screening based on ESG Rating.** Following the application of the above exclusions, the Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby issuers with more attractive ESG values are scored more highly than others.

  The ESG rating serves as a main indicator in addition to traditional credit metric to identify risks and opportunities that are not yet factored in the current prices and are expected to impact the spreads negatively.

  In respect of companies and supranationals as issuers, the application of the ESG rating screening process as outlined above is applied to the total universe of such issuers analysed through the Investment Manager's proprietary rating tool and the lowest scoring 25% of companies and supranationals analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies and supranationals analysed through the Investment Manager's proprietary rating tool may be wider than the target investment universe of the Sub-Fund, meaning that the actual amount of investments excluded from the Sub-Fund's scope of investments may effectively be a minimum rate that is lower than 25%. In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies or supranationals as issuers subsequently fall into the lowest scoring 25% issuers available through the Investment Manager's proprietary rating tool in terms of their ESG score, the Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

  Investors should note that the abovementioned screening and reduction of 25% of lowest scoring companies and supranational issuers does not apply to countries as issuers. The application of the ESG rating exclusion is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **Sustainable Investments.** In order for an investee entity to be considered a sustainable investment, it must be assessed by the Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 50% of the assets of the Sub-Fund will be committed to sustainable investments. This commitment is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **UN SDGs.** The UN SDG alignment of an instrument can be ascertained through positive screening criteria in three ways:

  1) **Use of Proceeds**. To invest in a UOP instrument classifying as a sustainable investment of an issuer who has not been removed following the above-described exclusion methods, the Investment Manager needs to additionally assess that:

  i. the instrument qualifies as "Green", "Social" or "Sustainable" under the ICMA standards and contributes to a relevant UN SDG. The Investment Manager periodically reviews all publicly available UOP frameworks, allocation and assurance reports of every individual UOP instrument and verifies the association to each relevant UN SDG in an internally maintained database. To undertake this analysis the Investment Manager may use data provided by external ESG data providers and proprietary models, as well as directly communicating with the issuer; and

  ii. there are no controversies in relation to such instrument. Such controversies may arise from the stated financing goals, type of activity, governance and reporting expectations which are inferior to the current ICMA standard and market practice; and

  iii. according to an independent and market recognized second party opinion the instrument's framework is verified and aligned with the relevant standard and the market practice.

  2) **Sovereign Issuer Net UN SDG Impact Score**. When investing in sovereign bonds, the Investment Manager has developed a tiered classification system for considering certain sovereign issuances to be sustainable investments. The approach consists of four tiers, where issuers in tier 1 and 2, which have a positive overall SDG score and at least 85% net positive UN SDG sub-category scores, are considered to meet such consideration. Issuers in tier 3 and 4 are not sustainable investments, but may have environmental and/or social characteristics.

  3) **Company or Corporate Issuer's Net UN SDG Impact Score.** When investing in companies or corporate issued instruments which are not UOP, the Investment Manager selects companies or issuers with a net positive SDG score, based on the outputs from the ESG rating system.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled Investment Strategy for additional details. As part of such asset management strategy, weight is also given to ESG considerations when evaluating instruments with comparable profiles.

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

There is no committed minimum rate at the level of the Sub-Fund to reduce the scope of the investments considered prior to the application of the investment strategy.

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

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

The Sub-Fund will typically focus on exposure to a broad range of fixed income securities and instruments.

In the context of exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Investment Manager, the Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to

investment.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

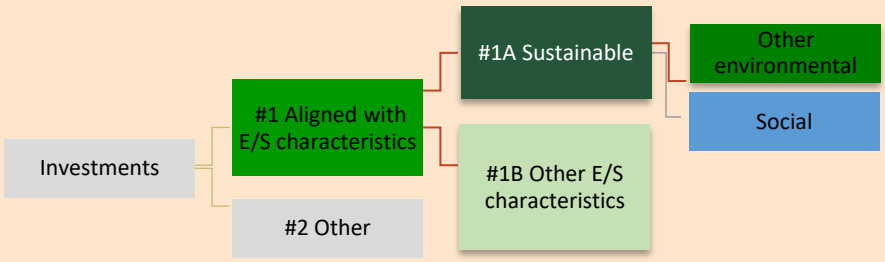
At least 80% of the assets of the Sub-Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 50% of the assets of the Sub-Fund will be committed to sustainable investments which are not aligned with the EU Taxonomy (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.

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 Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Sub-Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Sub-Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Sub-Fund attaining the environmental and/or social characteristics it promotes.

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

The Sub-Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

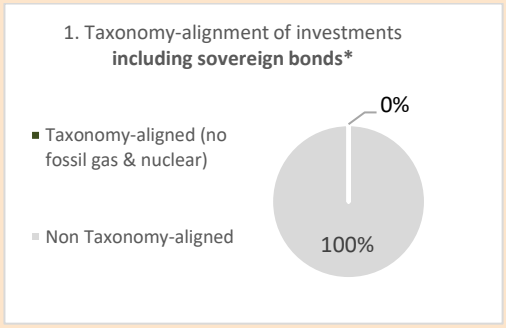
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply wi the EU Taxonomy?[1]

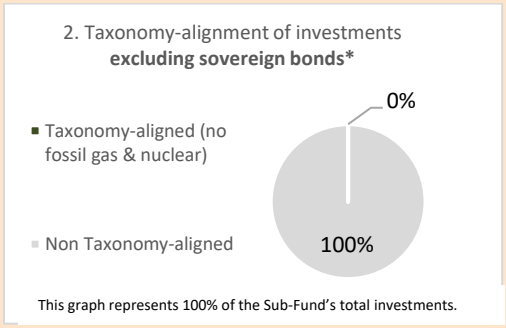
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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





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

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.

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

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Sub-Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the EU Taxonomy will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental

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

[1] *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. 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.*

objective that are not aligned with the EU Taxonomy shall be greater than 0% of the assets of the Sub-Fund.



What is the minimum share of socially sustainable investments?

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.



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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an issuer. Investors should note that while the Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"

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?

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Investment Manager's website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Sustainable Money Market Fund (EUR)

Sub-Fund Supplement

LGT Sustainable Money Market Fund (EUR)

1 Introduction

This Supplement contains specific information in relation to LGT Sustainable Money Market Fund (EUR) (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for hedging purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have low volatility.

The additional qualitative and quantitative information prescribed by Article 36 (2) of the MMF Regulation regarding the portfolio of the Sub-Fund is published at least weekly on www.fundinfo.com

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Oriented Fund. The UCITS reserves the right to reassess this consideration at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Oriented Fund, this Supplement shall be updated accordingly.

Money market funds are not permitted to invest into this Sub-Fund.

3 General

Base Currency	means Euro. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Dividend policy	The UCITS does not currently intend to make any dividend payments in respect of any of the Classes of the Sub-Fund.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors with a low risk appetite who want to be able to liquidate their investment at short notice.

Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. This investment type is subject to a limited degree of interest rate risk, which may have negative effects on net assets, since most assets of the Sub-Fund are invested in money-market and similar securities. Both issuer and market risk may be said to be relatively low but may not be completely excluded. The Sub-Fund is a money market fund. Regarding the specific risks of investing in money market funds investors should note (a) that a money market fund is not a guaranteed investment. (b) that an investment in money market funds is different from an investment in deposits because of the risk that the principal amount invested is capable of fluctuation. (c) that the Sub-Fund does not rely on external support guaranteeing the liquidity of the Sub-Fund or stabilising the net asset value per share. (d) that the risk of loss of the principal amount invested into the Sub-Fund is borne by the investor.

4 Investment management

Investment Objective	The Investment Objective of the Sub-Fund is to achieve adequate returns in the currency of account while also safeguarding the capital and liquidity of assets of the Sub-Fund and contributing to long-term social, economic and environmental well-being globally. There can be no assurance that the Sub-Fund will achieve its investment objective, and investment results may vary substantially over time especially in times of negative nominal interest rates. The Sub-Fund is a *Standard VNAV MMF*.
Investment Focus	Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions and the MMF Regulation, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) in debt securities and instruments as well as in in money market instruments, as further described below under Permitted Investments & Techniques. (all together the "**Target Asset Classes**"). The Sub-Fund does not pursue a specific sectoral focus.
Permitted Investments & Techniques	The Sub-Fund may invest in debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), as well as money market instruments issued by private and public-law debtors from all over the world, in term deposits and time deposits with banks in Liechtenstein, in any other member state of the EEA or in Switzerland. Subject to the Sub-Fund's investment restrictions and the UCITS law, the Sub-Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Sub-Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the

Investment Manager's sole judgement, provide the best profit opportunities and are consistent with the Sub-Fund's investment objective and permitted investments.

In accordance with the principle of risk diversification, with the approval of the competent supervisory authority, the Sub-Fund is authorised to invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the EU; the national, regional and local administrations of the Member States of the EU or their central banks; the European Central Bank, the European Investment Bank; the European Investment Fund; the European Stability Mechanism; the European Financial Stability Facility; a central authority or central bank of a third country; the International Monetary Fund; the International Bank for Reconstruction and Development; the Council of Europe Development Bank; the European Bank for Reconstruction and Development; the Bank for International Settlements or any other relevant international financial institution or organisation to which one or more Member States belong. The above exception applies only if the following requirements are met: (i) the Sub-Fund holds money market instruments in at least six different issues of the issuer, and (ii) the Sub-Fund restricts its investment in money market instruments from a single issue to a maximum of 30% of its assets.

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

The Sub-Fund may gain exposure to the Target Asset Classes:

(a) by direct investment in various underlying securities, such as bonds, fixed-rate securities, notes and others;

(b) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Sub-Fund is restricted to holding a portfolio of investments with a weighted average remaining time to maturity of not more than 6 months, with floating rate investments being deemed to mature on the next interest rate adjustment date for the purpose of calculating the individual remaining times to maturity of the assets and the weighted average remaining time to maturity of the portfolio.

The Sub-Fund is further restricted to holding a portfolio of investments with a weighted average time to final maturity of not more than 12 months, with fixed as well as floating rate investments being deemed to mature at their final maturity for the purpose of calculating the weighted average final maturity of the portfolio.

Investments may only be made in securities with a remaining time to maturity before the payout of the nominal value of not more than 2 years whose next interest rate adjustment date must not be later than 397 days after the time of the investment.

The Sub-Fund may utilize FDIs (exchange traded or over-the-counter) to hedge the interest rate or exchange rate risks inherent in the Sub-Fund's other investments, such as:

(a) futures (including interest rate futures, financial futures, currency futures and index futures);

(b) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps);

	(c) forwards (including currency forwards and non-deliverable forwards). Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies.
Investment Strategy	The Sub-Fund's portfolio is actively managed and is not managed in reference to a benchmark. When selecting investments, the Investment Manager undertakes an ESG analysis of the investment universe of the Sub-Fund in order to promote environmental and/or social characteristics. Please refer to Annex I to this Supplement for further details.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements. All types of assets which may be held by the Sub-Fund in accordance with its investments objective and policy may be subject to a Securities Financing Transaction. The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 30% of the Net Asset Value. However, the expected proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is approximately 25% of the Net Asset Value. The exposure held by the Sub-Fund through Securities Financing Transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. In any case, the most recent semi-annual and annual report of the UCITS will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of the Sub-Fund's assets subject to Securities Financing Transactions. Please see the section Risk Factors in the Investment Conditions for details of the risks associated with Securities Financing Transactions. Please see the section Securities Financing Transactions and Total Return Swaps in the Investment Conditions for further details in respect of the use of Total Return Swaps and Securities Financing Transactions.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI. See the section of the Investment Conditions entitled Portfolio Level Currency Hedging for further information.

Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favorably or un-favorably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Management Company utilizes a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the modified commitment approach.
Leverage	The Sub-Fund uses the modified commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	The Sub-Fund shall not engage in borrowing transactions.

6 Unit dealing

Dealing Day	means a Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.

Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS of the Management Company.
Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means every Business Day, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.

Valuation Point	means 23:59 CET on the relevant Valuation Day.
Dilution Adjustments	Partial Swing Pricing. The Net Asset Value of the Sub-Fund may, on any Valuation Day, be adjusted upwards or downwards by a maximum of 1,5% (the "**Swing Factor**") in accordance with the section of the Investment Conditions titled Swing Pricing, to reflect the costs attributable to Net Subscription or Net Redemption applications received in relation to the Sub-Fund. The Swing Factor may be applied only on Valuation Days on which the aggregate net investor transactions in the Sub-Fund (Net Subscriptions or Net Redemptions) exceed 5% of the Net Asset Value of the Sub-Fund (the "**Swing Threshold**").

7 Fees & expenses

Establishment and Operational Fees and Expenses	The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8.

The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly.

This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below.

Fees of the Management Company

The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) B	LI0015327740	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.50[2]%	Permitted	598.45	01.04.2003

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) I1	LI0036240435	EUR	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.05%	0.25[2]%	Permitted	1,000	17.02.2009

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) C	LI0247153435	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.25[2]%	Not permitted	1,000	07.11.2014

Unit Classes open only to specific groups of investors[&]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) C2	LI1443462455	EUR	No	Accumulating	10,000,000	0.001 Unit	10,000,000	0.05%	0.10%	Not permitted	1,000	[ ]

[1] Denominated in Class Currency.

[2] The flat-rate remuneration is made up of two components: a fixed fee and an interest-linked fee using the Euro Short-Term Rate (ESTR). The ESTR in any month shall be the official fixing on the last working day of the previous month. In the case of negative interest rates, an ESTR of zero shall be applied in the calculation of the flat-rate remuneration, i.e. the minimum fee charged shall be the fixed fee component.

These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

& These Classes shall only be open for investment by investors that have entered into a discretionary management agreement with an LGT Group company.

.

SFDR Annex

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: LGT Funds SICAV – LGT Sustainable Money Market Fund (EUR)

Legal entity identifier: 5493006G6JC70PS8ZU84

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ Yes
- ☒ No

- ☐ It will make a minimum of sustainable investments with an environmental objective: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of sustainable investments with a social objective: ___%
- ☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% 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.** The 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?

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

The Sub-Fund promotes environmental and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818. Different factors apply to companies and to governments as the issuer of the instruments.

For example, the following companies are excluded from investment consideration:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

For example, countries are excluded from investment consideration based on the below criteria:

- if the country has not signed certain international treaties on *controversial weapons;*
- if the country fails to meet basic requirements with respect to *human rights and democracy* (assessed among other things based on Freedom House Index, rating of the Reporters Without Boarders Press Freedom, ratification of conventions and treaties in respect of human rights and labour conditions)*;*
- if the country has a high level of *corruption* (assessed among other things based on Transparency International Corruption Perception Index and if a country's military budget exceeds 4% of gross domestic product)*;*
- if the country is subject to sanctions under Art 41 of the UN security council *to eliminate terrorism and weapons proliferation, oppose human rights violations or violations of international treaties, money laundering and deliberate destabilization of sovereign countries and drug trafficking;* or
- if the country is considered a jurisdiction with *strategic AML/CFT deficiencies* by the Financial Action Task Force ("FATF").

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an issuer that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (and therefore promoted as environmental and/or social characteristics by the Sub-Fund):

- In respect of companies as issuers*: greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.
- In respect of supranational organisations as issuers*: controversial practices, business ethics & product responsibility, environmental principles and action plans, community & human rights.*
- In respect of countries as issuers: *CO2 intensity, biodiversity and resources, corruption and business climate, public spending for education.*

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable issuers and/or issuers in the investment monitoring process.
- **Sustainable Investments.** The aggregate weight of sustainable investments held by the Sub-Fund shall be calculated and used to measure the attainment by the Sub-Fund of the environmental and/or social characteristics it promotes.
- **United Nations Sustainable Development Goals ("UN SDGs")**. Sustainable investments of

the Sub-Fund target a combination of environmental and social objectives across the spectrum based on the alignment of such investments with the UN SDGs. Thus, another factor contributing to whether the Sub-Fund is attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its policy relating to investing in sustainable investments. The Investment Manager considers as sustainable investments, which are aligned with SFDR, only instruments which either:

iii. qualify as a Green, Social or Sustainable use of proceeds ("**UOP**") instrument according to the principles of the International Capital Markets Associations ("**ICMA**"), which align with UN SDGs, or

iv. have a positive net contribution to UN SDGs by virtue of the issuer's net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment) to an environmental or social objective.

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

The Sub-Fund aims to invest in issuers that positively contribute to the UN SDGs, thus promoting environmental and/or social characteristics through a combination of environmental and social objectives.

An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation related research), climate change mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of the Investment Manager's "do no significant harm" ("DNSH") assessment in respect of issuers as well as in respect of projects that are financed through the UOP instruments. A sudden drop due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Investment Manager for each of the mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors in the context of sustainable investments are considered in the following manner:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to

- Principal adverse impact indicators are captured under the DNSH principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Investment Manager will seek to exclude the issuer from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 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.

(d)

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

☒ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Investment Manager's website and the Sub-Fund's forthcoming annual report.

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

☐ No

What investment strategy does this financial product follow?

In seeking to achieve the investment objective, the Sub-Fund will invest most of its assets in debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), as well as money market instruments issued by private and public-law debtors from all over the world, in term deposits and time deposits with banks in Liechtenstein, in any other member state of the EEA or in Switzerland as well as in units of other undertakings for collective investments in transferable securities and undertakings comparable to a UCITS which invest their assets in accordance with the investment policy (money market funds and/or money market funds with short maturities) of this Sub-Fund.

The Sub-Fund Fund integrates environmental and / or social characteristics as part of its investment process, as outlined in this SFDR Annex.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy**. Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?" The application of the ESG exclusion policy is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **Screening based on ESG Rating.** Following the application of the above exclusions, the Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby issuers with more attractive ESG values are scored more highly than others.

  The ESG rating serves as a main indicator in addition to traditional credit metric to identify risks and opportunities that are not yet factored in the current prices and are expected to impact the spreads negatively.

  In respect of companies and supranationals as issuers, the application of the ESG rating screening process as outlined above is applied to the total universe of such issuers analysed through the Investment Manager's proprietary rating tool and the lowest scoring 25% of companies and supranationals analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies and supranationals analysed through the Investment Manager's proprietary rating tool may be wider than the target investment universe of the Sub-Fund, meaning that the actual amount of investments excluded from the Sub-Fund's scope of investments may effectively be a minimum rate that is lower than 25%. In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies or supranationals as issuers subsequently fall into the lowest scoring 25% issuers available through the Investment Manager's proprietary rating tool in terms of their ESG score, the Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

  Investors should note that the abovementioned screening and reduction of 25% of lowest scoring companies and supranational issuers does not apply to countries as issuers. The application of the ESG rating exclusion is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **Sustainable Investments.** In order for an investee entity to be considered a sustainable investment, it must be assessed by the Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 50% of the assets of the Sub-Fund will be committed to sustainable investments. This commitment is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **UN SDGs.** The UN SDG alignment of an instrument can be ascertained through positive screening criteria in three ways:

  1) **Use of Proceeds**. To invest into a UOP instrument classifying as a sustainable investment of an issuer who has not been removed following the above-described exclusion methods, the Investment Manager needs to additionally assess that:

  i. the instrument qualifies as "Green", "Social" or "Sustainable" under the ICMA standards and contributes to a relevant UN SDG. The Investment Manager periodically reviews all publicly available UOP frameworks, allocation and assurance reports of every individual UOP instrument and verifies the association to each relevant UN SDG in an internally maintained database. To undertake this analysis the Investment Manager may use data provided by external ESG data providers and proprietary models, as well as directly communicating with the issuer; and

  ii. there are no controversies in relation to such instrument. Such controversies may arise from the stated financing goals, type of activity, governance and reporting expectations which are inferior to the current ICMA standard and market practice; and

  iii. according to an independent and market recognized second party opinion the instrument's framework is verified and aligned with the relevant standard and the market practice.

  2) **Sovereign Issuer Net UN SDG Impact Score**. When investing in sovereign bonds, the Investment Manager has developed a tiered classification system for considering certain sovereign issuances to be sustainable investments. The approach consists of four tiers, where issuers in tier 1 and 2, which have a positive overall SDG score and at least 85% net positive UN SDG sub-category scores, are considered to meet such consideration. Issuers in tier 3 and 4 are not sustainable investments, but may have environmental and/or social characteristics.

  3) **Company or Corporate Issuer's Net UN SDG Impact Score.** When investing in companies or corporate issued instruments which are not UOP, the Investment Manager selects companies or issuers with a net positive SDG score, based on the outputs from the ESG rating system.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled Investment Strategy for additional details. As part of such asset management strategy, weight is also given to ESG considerations when evaluating instruments with comparable profiles.

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

There is no committed minimum rate at the level of the Sub-Fund to reduce the scope of the investments considered prior to the application of the investment strategy.

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

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

The Sub-Fund will typically focus on exposure to a broad range of fixed income securities and instruments.

In the context of exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Investment Manager, the Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to

investment.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

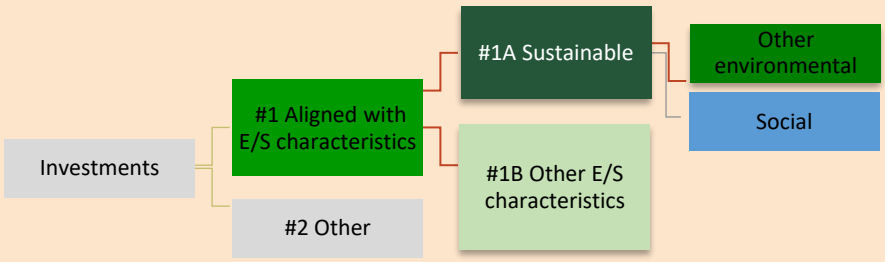
At least 80% of the assets of the Sub-Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 50% of the assets of the Sub-Fund will be committed to sustainable investments which are not aligned with the EU Taxonomy (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.

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 Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Sub-Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Sub-Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Sub-Fund attaining the environmental and/or social characteristics it promotes.

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

The Sub-Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

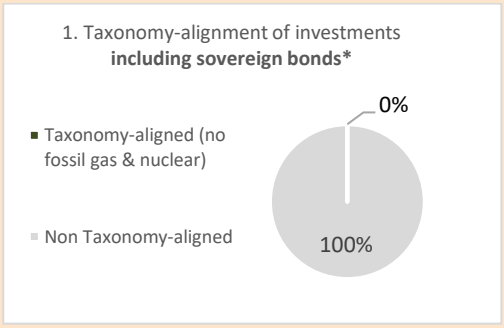
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply wi the EU Taxonomy?[1]

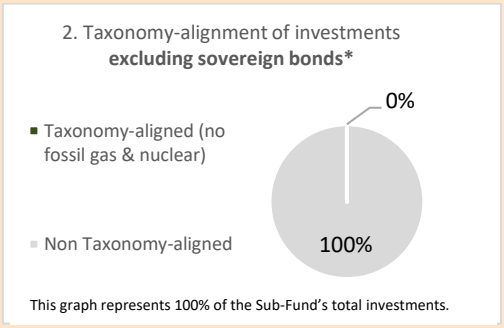
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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





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

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.

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

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Sub-Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the EU Taxonomy will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental

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

[1] *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. 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.*

objective that are not aligned with the EU Taxonomy shall be greater than 0% of the assets of the Sub-Fund.



What is the minimum share of socially sustainable investments?

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.



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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an issuer. Investors should note that while the Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

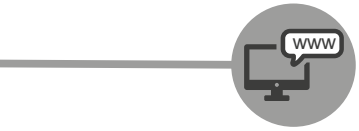
Exclusions are also applied by the Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"

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?

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Investment Manager's website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Money Market Fund (USD)

Sub-Fund Supplement

LGT Money Market Fund (USD)

1 Introduction

This Supplement contains specific information in relation to LGT Money Market Fund (USD) (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for hedging purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have low volatility.

The additional qualitative and quantitative information prescribed by Article 36 (2) of the MMF Regulation regarding the portfolio of the Sub-Fund is published at least weekly on www.fundinfo.com

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Oriented Fund. The UCITS reserves the right to reassess this consideration at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Oriented Fund, this Supplement shall be updated accordingly.

Money market funds are not permitted to invest into this Sub-Fund.

3 General

Base Currency	means USD. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Dividend policy	The UCITS does not currently intend to make any dividend payments in respect of any of the Classes of the Sub-Fund.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors with a low risk appetite who want to be able to liquidate their investment at short notice.

Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. This investment type is subject to a limited degree of interest rate risk, which may have negative effects on net assets, since most assets of the Sub-Fund are invested in money-market and similar securities. Both issuer and market risk may be said to be relatively low but may not be completely excluded. The Sub-Fund is a money market fund. Regarding the specific risks of investing in money market funds investors should note (a) that a money market fund is not a guaranteed investment. (b) that an investment in money market funds is different from an investment in deposits because of the risk that the principal amount invested is capable of fluctuation. (c) that the Sub-Fund does not rely on external support guaranteeing the liquidity of the Sub-Fund or stabilising the net asset value per share. (d) that the risk of loss of the principal amount invested into the Sub-Fund is borne by the investor.

4 Investment management

Investment Objective	The Investment Objective of the Sub-Fund is to achieve adequate returns in the currency of account while also safeguarding the capital and liquidity of assets of the Sub-Fund and contributing to long-term social, economic and environmental well-being globally. There can be no assurance that the Sub-Fund will achieve its investment objective, and investment results may vary substantially over time especially in times of negative nominal interest rates. The Sub-Fund is a *Standard VNAV MMF*.
Investment Focus	Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions and the MMF Regulation, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) in debt securities and instruments as well as in in money market instruments, as further described below under Permitted Investments & Techniques. (all together the "**Target Asset Classes**"). The Sub-Fund does not pursue a specific sectoral focus.
Permitted Investments & Techniques	The Sub-Fund may invest in debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), as well as money market instruments issued by private and public-law debtors from all over the world, in term deposits and time deposits with banks in Liechtenstein, in any other member state of the EEA or in Switzerland. Subject to the Sub-Fund's investment restrictions and the UCITS law, the Sub-Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Sub-Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the

Investment Manager's sole judgement, provide the best profit opportunities and are consistent with the Sub-Fund's investment objective and permitted investments.

In accordance with the principle of risk diversification, with the approval of the competent supervisory authority, the Sub-Fund is authorised to invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the EU; the national, regional and local administrations of the Member States of the EU or their central banks; the European Central Bank, the European Investment Bank; the European Investment Fund; the European Stability Mechanism; the European Financial Stability Facility; a central authority or central bank of a third country; the International Monetary Fund; the International Bank for Reconstruction and Development; the Council of Europe Development Bank; the European Bank for Reconstruction and Development; the Bank for International Settlements or any other relevant international financial institution or organisation to which one or more Member States belong. The above exception applies only if the following requirements are met: (i) the Sub-Fund holds money market instruments in at least six different issues of the issuer, and (ii) the Sub-Fund restricts its investment in money market instruments from a single issue to a maximum of 30% of its assets.

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

The Sub-Fund may gain exposure to the Target Asset Classes:

(a) by direct investment in various underlying securities, such as bonds, fixed-rate securities, notes and others;

(b) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Sub-Fund is restricted to holding a portfolio of investments with a weighted average remaining time to maturity of not more than 6 months, with floating rate investments being deemed to mature on the next interest rate adjustment date for the purpose of calculating the individual remaining times to maturity of the assets and the weighted average remaining time to maturity of the portfolio.

The Sub-Fund is further restricted to holding a portfolio of investments with a weighted average time to final maturity of not more than 12 months, with fixed as well as floating rate investments being deemed to mature at their final maturity for the purpose of calculating the weighted average final maturity of the portfolio.

Investments may only be made in securities with a remaining time to maturity before payout of the nominal value of not more than 2 years whose next interest rate adjustment date must not be later than 397 days after the time of the investment.

The Sub-Fund may utilize FDIs (exchange traded or over-the-counter) to hedge the interest rate or exchange rate risks inherent in the Sub-Fund's other investments, such as:

(a) futures (including interest rate futures, financial futures, currency futures and index futures);

(b) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps);

	(c) forwards (including currency forwards and non-deliverable forwards). Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies.
Investment Strategy	The Sub-Fund's portfolio is actively managed and is not managed in reference to a benchmark. When selecting investments, the Investment Manager undertakes an ESG analysis of the investment universe of the Sub-Fund in order to promote environmental and/or social characteristics. Please refer to Annex I to this Supplement for further details.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements. All types of assets which may be held by the Sub-Fund in accordance with its investments objective and policy may be subject to a Securities Financing Transaction. The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 30% of the Net Asset Value. However, the expected proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is approximately 25% of the Net Asset Value. The exposure held by the Sub-Fund through Securities Financing Transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. In any case, the most recent semi-annual and annual report of the UCITS will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of the Sub-Fund's assets subject to Securities Financing Transactions. Please see the section Risk Factors in the Investment Conditions for details of the risks associated with Securities Financing Transactions. Please see the section Securities Financing Transactions and Total Return Swaps in the Investment Conditions for further details in respect of the use of Total Return Swaps and Securities Financing Transactions.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI. See the section of the Investment Conditions entitled Portfolio Level Currency Hedging for further information.

Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favorably or un-favorably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Management Company utilizes a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the modified commitment approach.
Leverage	The Sub-Fund uses the modified commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, The Sub-Fund shall not engage into borrowing transactions.

6 Unit dealing

Dealing Day	means a Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.

Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS of the Management Company.
Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means every Business Day, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.

Valuation Point	means 23:59 CET on the relevant Valuation Day.
Dilution Adjustments	Partial Swing Pricing. The Net Asset Value of the Sub-Fund may, on any Valuation Day, be adjusted upwards or downwards by a maximum of 1,5% (the "**Swing Factor**") in accordance with the section of the Investment Conditions titled Swing Pricing, to reflect the costs attributable to Net Subscription or Net Redemption applications received in relation to the Sub-Fund. The Swing Factor may be applied only on Valuation Days on which the aggregate net investor transactions in the Sub-Fund (Net Subscriptions or Net Redemptions) exceed 5% of the Net Asset Value of the Sub-Fund (the "**Swing Threshold**").

7 Fees & expenses

Establishment and Operational Fees and Expenses	The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8.

The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly.

This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below.

Fees of the Management Company

The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) B	LI0015327757	USD	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.50[2]%	Permitted	1,227.20	01.04.2003

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) I1	LI0036240542	USD	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.05%	0.25[2]%	Permitted	1,000	[ ]

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) C	LI0247153450	USD	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.05%	0.25[2]%	Not permitted	1,000	07.11.2014

Unit Classes open only to specific groups of investors[&]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) C2	LI1443462463	USD	No	Accumulating	10,000,000	0.001 Unit	10,000,000	0.05%	0.10%	Not permitted	1,000	[ ]

[1] Denominated in Class Currency.

[2] The flat-rate remuneration is made up of two components: a fixed fee and an interest-linked fee using the Secured Overnight Financing Rate (SOFR). The SOFR in any month shall be the official fixing on the last working day of the previous month. In the case of negative interest rates, a SOFR of zero shall be applied in the calculation of the flat-rate remuneration, i.e. the minimum fee charged shall be the fixed fee component.

These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

& These Classes shall only be open for investment by investors that have entered into a discretionary management agreement with an LGT Group company.

.

SFDR Annex

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: LGT Funds SICAV – LGT Money Market Fund (USD)

Legal entity identifier: 549300B5XBU0R32SKB65

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ Yes
- ☒ No

- ☐ It will make a minimum of sustainable investments with an environmental objective: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ It 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 20% 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 will make a minimum of sustainable investments 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

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

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



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

The Sub-Fund promotes environmental and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818. Different factors apply to companies and to governments as the issuer of the instruments.

For example, the following companies are excluded from investment consideration:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

For example, countries are excluded from investment consideration based on the below criteria:

- if the country has not signed certain international treaties on *controversial weapons;*
- if the country fails to meet basic requirements with respect to *human rights and democracy* (assessed among other things based on Freedom House Index, rating of the Reporters Without Boarders Press Freedom, ratification of conventions and treaties in respect of human rights and labour conditions)*;*
- if the country has a high level of *corruption* (assessed among other things based on Transparency International Corruption Perception Index and if a country's military budget exceeds 4% of gross domestic product)*;*
- if the country is subject to sanctions under Art 41 of the UN security council *to eliminate terrorism and weapons proliferation, oppose human rights violations or violations of international treaties, money laundering and deliberate destabilization of sovereign countries and drug trafficking;* or
- if the country is considered a jurisdiction with *strategic AML/CFT deficiencies* by the Financial Action Task Force ("FATF").

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an issuer that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (and therefore promoted as environmental and/or social characteristics by the Sub-Fund):

- In respect of companies as issuers*: greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.
- In respect of supranational organisations as issuers*: controversial practices, business ethics & product responsibility, environmental principles and action plans, community & human rights.*
- In respect of countries as issuers: *CO2 intensity, biodiversity and resources, corruption and business climate, public spending for education.*

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable issuers and/or issuers in the investment monitoring process.
- **Sustainable Investments.** The aggregate weight of sustainable investments held by the Sub-Fund shall be calculated and used to measure the attainment by the Sub-Fund of the environmental and/or social characteristics it promotes.
- **United Nations Sustainable Development Goals ("UN SDGs")**. Sustainable investments of

the Sub-Fund target a combination of environmental and social objectives across the spectrum based on the alignment of such investments with the UN SDGs. Thus, another factor contributing to whether the Sub-Fund is attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its policy relating to investing in sustainable investments. The Investment Manager considers as sustainable investments, which are aligned with SFDR, only instruments which either:

i. qualify as a Green, Social or Sustainable use of proceeds ("**UOP**") instrument according to the principles of the International Capital Markets Associations ("**ICMA**"), which align with UN SDGs, or

ii. have a positive net contribution to UN SDGs by virtue of the issuer's net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment) to an environmental or social objective.

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

The Sub-Fund aims to invest in issuers that positively contribute to the UN SDGs, thus promoting environmental and/or social characteristics through a combination of environmental and social objectives.

An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation related research), climate change mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of the Investment Manager's "do no significant harm" ("DNSH") assessment in respect of issuers as well as in respect of projects that are financed through the UOP instruments. A sudden drop due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Investment Manager for each of the mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors in the context of sustainable investments are considered in the following manner:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to

- Principal adverse impact indicators are captured under the DNSH principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Investment Manager will seek to exclude the issuer from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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

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

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

☒ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Investment Manager's website and the Sub-Fund's forthcoming annual report.

☐ No

What investment strategy does this financial product follow?

In seeking to achieve the investment objective, the Sub-Fund will invest most of its assets in debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), as well as money market instruments issued by private and public-law debtors from all over the world, in term deposits and time deposits with banks in Liechtenstein, in any other member state of the EEA or in Switzerland as well as in units of other undertakings for collective investments in transferable securities and undertakings comparable to a UCITS which invest their assets in accordance with the investment policy (money market funds and/or money market funds with short maturities) of this Sub-Fund.

The Sub-Fund Fund integrates environmental and / or social characteristics as part of its investment process, as outlined in this SFDR Annex.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy**. Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?" The application of the ESG exclusion policy is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **Screening based on ESG Rating.** Following the application of the above exclusions, the Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby issuers with more attractive ESG values are scored more highly than others.

  The ESG rating serves as a main indicator in addition to traditional credit metric to identify risks and opportunities that are not yet factored in the current prices and are expected to impact the spreads negatively.

  In respect of companies and supranationals as issuers, the application of the ESG rating screening process as outlined above is applied to the total universe of such issuers analysed through the Investment Manager's proprietary rating tool and the lowest scoring 25% of companies and supranationals analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies and supranationals analysed through the Investment Manager's proprietary rating tool may be wider than the target investment universe of the Sub-Fund, meaning that the actual amount of investments excluded from the Sub-Fund's scope of investments may effectively be a minimum rate that is lower than 25%. In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies or supranationals as issuers subsequently fall into the lowest scoring 25% issuers available through the Investment Manager's proprietary rating tool in terms of their ESG score, the Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

  Investors should note that the abovementioned screening and reduction of 25% of lowest scoring companies and supranational issuers does not apply to countries as issuers. The application of the ESG rating exclusion is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **Sustainable Investments.** In order for an investee entity to be considered a sustainable investment, it must be assessed by the Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 20% of the assets of the Sub-Fund will be committed to sustainable investments. This commitment is embedded into the Sub-Fund's investment selection process and is therefore a binding

element.

- **UN SDGs.** The UN SDG alignment of an instrument can be ascertained through positive screening criteria in three ways:

  1) **Use of Proceeds**. To invest into a UOP instrument classifying as a sustainable investment of an issuer who has not been removed following the above-described exclusion methods, the Investment Manager needs to additionally assess that:

  i. the instrument qualifies as "Green", "Social" or "Sustainable" under the ICMA standards and contributes to a relevant UN SDG. The Investment Manager periodically reviews all publicly available UOP frameworks, allocation and assurance reports of every individual UOP instrument and verifies the association to each relevant UN SDG in an internally maintained database. To undertake this analysis the Investment Manager may use data provided by external ESG data providers and proprietary models, as well as directly communicating with the issuer; and

  ii. there are no controversies in relation to such instrument. Such controversies may arise from the stated financing goals, type of activity, governance and reporting expectations which are inferior to the current ICMA standard and market practice; and

  iii. according to an independent and market recognized second party opinion the instrument's framework is verified and aligned with the relevant standard and the market practice.

  2) **Sovereign Issuer Net UN SDG Impact Score**. When investing in sovereign bonds, the Investment Manager has developed a tiered classification system for considering certain sovereign issuances to be sustainable investments. The approach consists of four tiers, where issuers in tier 1 and 2, which have a positive overall SDG score and at least 85% net positive UN SDG sub-category scores, are considered to meet such consideration. Issuers in tier 3 and 4 are not sustainable investments, but may have environmental and/or social characteristics.

  3) **Company or Corporate Issuer's Net UN SDG Impact Score.** When investing in companies or corporate issued instruments which are not UOP, the Investment Manager selects companies or issuers with a net positive SDG score, based on the outputs from the ESG rating system.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled Investment Strategy for additional details. As part of such asset management strategy, weight is also given to ESG considerations when evaluating instruments with comparable profiles.

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

There is no committed minimum rate at the level of the Sub-Fund to reduce the scope of the investments considered prior to the application of the investment strategy.

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

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

The Sub-Fund will typically focus on exposure to a broad range of fixed income securities and instruments.

In the context of exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Investment Manager, the Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition,

good governance is a factor in the qualitative assessment of individual companies prior to investment.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

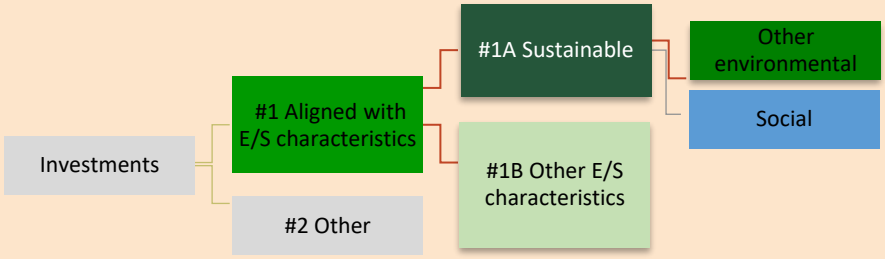
At least 75% of the assets of the Sub-Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 20% of the assets of the Sub-Fund will be committed to sustainable investments which are not aligned with the EU Taxonomy (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.

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 Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Sub-Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Sub-Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Sub-Fund attaining the environmental and/or social characteristics it promotes.

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

The Sub-Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

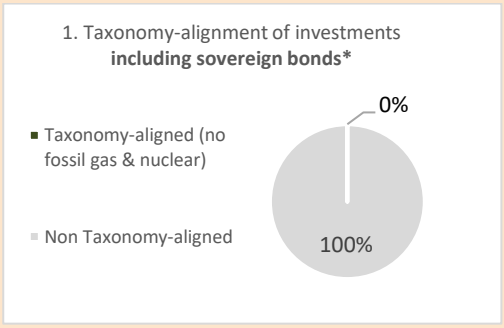
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply wi the EU Taxonomy?[1]

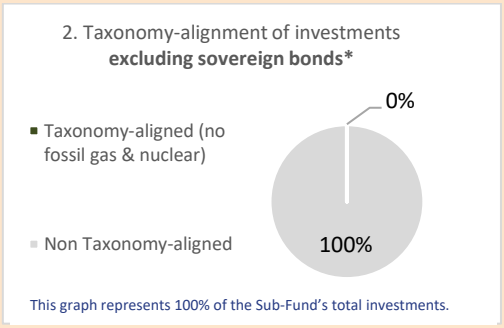
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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





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

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.

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

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Sub-Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the EU Taxonomy will be 20% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental

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

[1] *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. 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.*

objective that are not aligned with the EU Taxonomy shall be greater than 0% of the assets of the Sub-Fund.



What is the minimum share of socially sustainable investments?

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 20% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.



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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an issuer. Investors should note that while the Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"



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?

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Investment Manager's website: www.lgtcp.com/en/regulatory-information.

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

LGT CAPITAL PARTNERS

lgtcp.com

LGT Bond Fund Global Inflation Linked

Sub-Fund Supplement

LGT Bond Fund Global Inflation Linked

1 Introduction

This Supplement contains specific information in relation to LGT Bond Fund Global Inflation Linked (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging purposes and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium to high volatility.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Oriented Fund. The UCITS reserves the right to reassess this consideration at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Oriented Fund, this Supplement shall be updated accordingly.

3 General

Base Currency	means Euro. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Benchmark	means Bloomberg World Government Inflation-Linked Bonds 1 to 10 Year TR Hedged Index.
Benchmark Administrator	means Bloomberg Index Services Limited.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in

	the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Dividend policy	means the dividend policy applicable to each Class and set out in Section 8. Accumulating Classes In the case of Classes comprised of accumulating Units, the net income and profits (if any) available for distribution will be accumulated and reflected in the Net Asset Value of the Class. Distributing Classes In the case of Classes comprised of distributing Units, the UCITS may determine to make an annual cash distribution to the holders of such distributing Classes. No interest will be paid on announced distributions as from the time of their due date. Investors should be aware that the ability of the Sub-Fund to pay any distribution is subject to the liquidity constraints of the Sub-Fund. Distributions may be paid out of any combination of net income and realised and unrealised gains (i.e. net income and realised and unrealised gains net of realised and unrealised losses)) and capital so that where income during the relevant period is less than the amount declared, the balance will be paid out of the capital represented by the relevant Units, which will enable the distributing Classes to distribute regular dividends. Investors should be aware that any distribution paid will reduce the Net Asset Value per Unit in respect of distributing Classes. Investors should note that distributions may be declared out of capital and therefore investors should read and consider the sections of the Investment Conditions entitled Important Information and the risk factor 'Capital Erosion Risk'.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth, and protection from inflation-related value fluctuations with a medium term investment time horizon who are willing to set aside capital for at least four years, primarily seeking constant returns and who are prepared to accept a medium to high level of volatility from time to time.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. This Sub-Fund may invest in lower investment-grade debt instruments. As a result, the underlying debt may be subject to increased downgrading risks and bear a higher default risk than securities issued by investment-grade debtors. The higher yield is to be seen as compensation for additional risks. If inflation rises above the anticipated levels, inflation-linked debt instruments will outperform straight bonds due to the effects resulting from the protection against inflation. Straight bonds will outperform inflation-linked debt instruments when the rate of inflation is lower than anticipated.

4 Investment management

Investment Objective

The Investment Objective of the Sub-Fund is to generate consistent medium term capital appreciation and contributing to long-term social, economic and environmental well-being globally. There can be no assurance that the Sub-Fund will achieve its investment objective.

Investment Focus

Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) in inflation-linked debt securities and instruments as further described below under Permitted Investments & Techniques. (all together the "**Target Asset Classes**").

The Sub-Fund does not pursue a specific sectoral focus.

Permitted Investments & Techniques

The Sub-Fund may invest in inflation linked debt securities and instruments (debentures, bonds, fixed-rate securities, notes and others), issued by public and supranationals debtors and to a lesser extent of private debtors from all over the world.

The Sub-Fund may invest up to 25% of its assets in convertible debentures and notes as well as warrant-linked bonds, and up to 10% in shares and other equity securities and instruments, as well as warrants.

The Sub-Fund may use synthetic structures to provide protection against inflation and broadly diversify across debtors, provide flexibility in the duration management as well as hedge against inflationary risks in markets without inflation-linked debt instruments. Synthetic structures eliminate inflation risks by using financial derivative instruments.

Investments may also be denominated in currencies other than the reference currency of the respective unit class. In this case, the currency risk is generally hedged against this reference currency.

Subject to the Sub-Fund's investment restrictions and the UCITS law, the Sub-Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Sub-Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the Investment Managers' sole judgement, provide the best profit opportunities and are consistent with the Sub-Fund's investment objective and permitted investments.

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

The Sub-Fund may gain exposure to the Target Asset Classes:

(a) by direct investment in various underlying securities, such as bonds, fixed-rate securities, notes and others;

(b) indirectly through the use of FDI; or

(c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Sub-Fund may utilize FDIs (exchange traded or over-the-counter), such as:

(a) futures (including interest rate futures, financial futures, currency futures and index futures);

(b) swaps (including credit default swaps, interest rate swaps, inflation swaps, foreign exchange swaps and currency swaps);

(c) forwards (including currency forwards and non-deliverable forwards);

(d) warrants.

Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies.

Investment Strategy

The Sub-Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that the Investment Manager uses the Benchmark to provide a framework for the Sub-Fund's main investable universe, for risk measurement metrics and for performance comparison purposes.

The Benchmark provides a broad-based measure of the global investment-grade fixed income markets on an inflation-linked basis. Further information regarding the Benchmark, including the methodology used for the calculation of the Benchmark, can be found on www.bloomberg.com/professional/product/indices/.

A proportion of the Sub-Fund's portfolio, such proportion to be defined by the Investment Manager from time to time, may be components of the Benchmark and the portfolio may have similar weightings to the Benchmark, however, the Investment Manager retains full discretion over the composition of the portfolio subject to the investment restrictions specified in the Investment Conditions and this Supplement. Accordingly, the Sub-Fund may, at the Investment Manager's discretion, be invested in markets and constituents not referenced in the Benchmark to the extent and within such constraints as the Investment Manager determines appropriate.

The Investment Manager actively seeks to achieve outperformance of the Benchmark by making active investment decisions in relation to the portfolio's allocation to fixed income segments, the yield curve positioning duration, credit segmentation and currencies (not exhaustive).

To achieve the investment objective, the Investment Manager of the Sub-Fund employs an investment process using both fundamental issuer analyses and analyses of current market conditions.

When selecting investments, the Investment Manager undertakes an ESG analysis of the investment universe of the Sub-Fund in order to promote environmental and/or social characteristics. Please refer to Annex I to this Supplement for further details.

Benchmark Regulation

The Benchmark Administrator appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulations. The Management Company has put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that the Benchmark materially changes or ceases to be provided. These written plans detail the steps the Management Company will take to nominate a suitable alternative Benchmark. A copy of the Management Company's

	policy on cessation or material change to a benchmark is available upon request from the Management.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements. All types of assets which may be held by the Sub-Fund in accordance with its investments objective and policy may be subject to a Securities Financing Transaction. The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 30% of the Net Asset Value. However, the expected proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is approximately 25% of the Net Asset Value. The exposure held by the Sub-Fund through Securities Financing Transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. In any case, the most recent semi-annual and annual report of the UCITS will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of the Sub-Fund's assets subject to Securities Financing Transactions. Please see the section Risk Factors in the Investment Conditions for details of the risks associated with Securities Financing Transactions. Please see the section Securities Financing Transactions and Total Return Swaps in the Investment Conditions for further details in respect of the use of Total Return Swaps and Securities Financing Transactions.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI but may decide not to do so from time to time on an opportunistic basis. See the section of the Investment Conditions entitled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated.

	There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favorably or un-favorably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Management Company utilizes a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the modified commitment approach.
Leverage	The Sub-Fund uses the modified commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means a Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS of the Management Company.

Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23:59 CET on the relevant Valuation Day.

Dilution Adjustments	Partial Swing Pricing. The Net Asset Value of the Sub-Fund may, on any Valuation Day, be adjusted upwards or downwards by a maximum of 1,5% (the "**Swing Factor**") in accordance with the section of the Investment Conditions titled Swing Pricing, to reflect the costs attributable to Net Subscription or Net Redemption applications received in relation to the Sub-Fund. The Swing Factor may be applied only on Valuation Days on which the aggregate net investor transactions in the Sub-Fund (Net Subscriptions or Net Redemptions) exceed 5% of the Net Asset Value of the Sub-Fund (the "**Swing Threshold**").

7 Fees & expenses

Establishment and Operational Fees and Expenses	The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly. This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below. *Fees of the Management Company* The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS. *Fees of the Depositary and Administrator* The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund. The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out

of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) B	LI0017755534	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.15%	0.90%	Permitted	856.03	10.05.2004
(CHF) B	LI0148578045	CHF	Yes									17.04.2012
(USD) B	LI0148578037	USD	Yes									17.04.2012
(EUR) A	LI0114576429	EUR	No	Distributing							1,000	02.09.2010
(CHF) A	LI0148578011	CHF	Yes									17.04.2012
(USD) A	LI0148578003	USD	Yes									17.04.2012

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) I1	LI0021090100	EUR	No								911.57	30.04.2005
(CHF) I1	LI0148578078	CHF	Yes	Accumulating	1,000,000	0.001 Unit	1,000,000	0.09%	0.45%	Permitted		17.04.2012
(USD) I1	LI0148578060	USD	Yes								1,000	08.04.2011

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) C	LI0247154680	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.09%	0.55%	Not permitted	1,000	23.10.2014
(CHF) C	LI0247154706	CHF	Yes									31.10.2014
(USD) C	LI0247154698	USD	Yes									06.10.2014
(EUR) CA	LI1204229861	EUR	No	Distributing								22.09.2022
(CHF) CA	LI1204229846	CHF	Yes									[ ]
(USD) CA	LI1204229853	USD	Yes									22.09.2022

Unit Classes open only to specific groups of investors[§]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) IM	LI0036240674	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.06%	0.25%	Permitted	1,000	19.12.2011

[1] Denominated in Class Currency.

These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);

- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

§ These Classes shall only be open for persons or entities, who at the time of the subscription, belong to one of the following groups:

- directors of any company of LGT Group;
- employees (including part-time employees) with a permanent employment contract of any company of LGT Group;
- recipients of retirement and disability pensions from LGT Group, however, pension recipients with external membership according to the regulations of the staff benefits foundation are excluded;
- widows and widowers of former employees or pension recipients of LGT Group, however, widows and widowers of former employees or pension recipients with external membership according to the regulation of the staff benefits foundation are excluded;
- children of employees as well as children of retired or deceased employees of any company of LGT Group until the completion of their 18th year and if the children are not included in any group above;
- any other persons who are entitled to employee concessions of any company of LGT Group; or
- clients of LGT Group companies that have entered into a respective cooperation, advisory or discretionary management agreement.

SFDR Annex

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: LGT Funds SICAV – LGT Bond Fund Global Inflation Linked

Legal entity identifier: 549300AJ5N9DPC4C7C68

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ Yes
- ☒ No

- ☐ It will make a minimum of sustainable investments with an environmental objective: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of sustainable investments with a social objective: ___%
- ☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% 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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** The 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 and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818. Different factors apply to companies and to governments as the issuer of the instruments.

For example, the following companies are excluded from investment consideration:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD)

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

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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

For example, countries are excluded from investment consideration based on the below criteria:

- if the country has not signed certain international treaties on *controversial weapons;*
- if the country fails to meet basic requirements with respect to *human rights and democracy* (assessed among other things based on Freedom House Index, rating of the Reporters Without Boarders Press Freedom, ratification of conventions and treaties in respect of human rights and labour conditions)*;*
- if the country has a high level of *corruption* (assessed among other things based on Transparency International Corruption Perception Index and if a country's military budget exceeds 4% of gross domestic product)*;*
- if the country is subject to sanctions under Art 41 of the UN security council *to eliminate terrorism and weapons proliferation, oppose human rights violations or violations of international treaties, money laundering and deliberate destabilization of sovereign countries and drug trafficking;* or
- if the country is considered a jurisdiction with *strategic AML/CFT deficiencies* by the Financial Action Task Force ("FATF").

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an issuer that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (and therefore promoted as environmental and/or social characteristics by the Sub-Fund):

- In respect of companies as issuers*: greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.
- In respect of supranational organisations as issuers*: controversial practices, business ethics & product responsibility, environmental principles and action plans, community & human rights.*
- In respect of countries as issuers: *CO2 intensity, biodiversity and resources, corruption and business climate, public spending for education.*

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable issuers and/or issuers in the investment monitoring process.
- **Sustainable Investments.** The aggregate weight of sustainable investments held by the Sub-Fund shall be calculated and used to measure the attainment by the Sub-Fund of the

environmental and/or social characteristics it promotes.

- **United Nations Sustainable Development Goals ("UN SDGs")**. Sustainable investments of the Sub-Fund target a combination of environmental and social objectives across the spectrum based on the alignment of such investments with the UN SDGs. Thus, another factor contributing to whether the Sub-Fund is attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its policy relating to investing in sustainable investments. The Investment Manager considers as sustainable investments, which are aligned with SFDR, only instruments which either:

  i. qualify as a Green, Social or Sustainable use of proceeds ("**UOP**") instrument according to the principles of the International Capital Markets Associations ("**ICMA**"), which align with UN SDGs, or

  ii. have a positive net contribution to UN SDGs by virtue of the issuer's net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment) to an environmental or social objective.

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

The Sub-Fund aims to invest in issuers that positively contribute to the UN SDGs, thus promoting environmental and/or social characteristics through a combination of environmental and social objectives.

An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation related research), climate change mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of the Investment Manager's "do no significant harm" ("DNSH") assessment in respect of issuers as well as in respect of projects that are financed through the UOP instruments. A sudden drop due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Investment Manager for each of the mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts are the most significant negative impacts of investment decisions on

Principal adverse impacts on sustainability factors in the context of sustainable investments are considered in the following manner:

- Principal adverse impact indicators are captured under the DNSH principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Investment Manager will seek to exclude the issuer from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 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.

(e)



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

✖ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Investment Manager's website and the Sub-Fund's forthcoming annual report.

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

No



What investment strategy does this financial product follow?

In seeking to achieve the investment objective, the Sub-Fund will invest most of its assets in inflation-linked debt securities and instruments (debentures, fixed-rate securities, notes and others) of public and supranational debtors and to a lesser extent of private debtors all over the world. The Investment Manager of the Sub-Fund employs an investment process using both fundamental issuer analyses and analyses of current market conditions.

The Sub-Fund Fund integrates environmental and / or social characteristics as part of its investment process, as outlined in this SFDR Annex.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy**. Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?" The application of the ESG exclusion policy is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **Screening based on ESG Rating.** Following the application of the above exclusions, the Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby issuers with more attractive ESG values are scored more highly than others.

  The ESG rating serves as a main indicator in addition to traditional credit metric to identify risks and opportunities that are not yet factored in the current prices and are expected to impact the spreads negatively.

  In respect of companies and supranationals as issuers, the application of the ESG rating screening process as outlined above is applied to the total universe of such issuers analysed through the Investment Manager's proprietary rating tool and the lowest scoring 25% of companies and supranationals analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies and supranationals analysed through the Investment Manager's proprietary rating tool may be wider than the target investment universe of the Sub-Fund, meaning that the actual amount of investments excluded from the Sub-Fund's scope of investments may effectively be a minimum rate that is lower than 25%. In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies or supranationals as issuers subsequently fall into the lowest scoring 25% issuers available through the Investment Manager's proprietary rating tool in terms of their ESG score, the Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

  Investors should note that the abovementioned screening and reduction of 25% of lowest scoring companies and supranational issuers does not apply to countries as issuers. The application of the ESG rating exclusion is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **Sustainable Investments.** In order for an investee entity to be considered a sustainable investment, it must be assessed by the Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 15% of the assets of

the Sub-Fund will be committed to sustainable investments. This commitment is embedded into the Sub-Fund's investment selection process and is therefore a binding element.

- **UN SDGs.** The UN SDG alignment of an instrument can be ascertained through positive screening criteria in three ways:

  1) **Use of Proceeds**. To invest into a UOP instrument classifying as a sustainable investment of an issuer who has not been removed following the above-described exclusion methods, the Investment Manager needs to additionally assess that:

  i. the instrument qualifies as "Green", "Social" or "Sustainable" under the ICMA standards and contributes to a relevant UN SDG. The Investment Manager periodically reviews all publicly available UOP frameworks, allocation and assurance reports of every individual UOP instrument and verifies the association to each relevant UN SDG in an internally maintained database. To undertake this analysis the Investment Manager may use data provided by external ESG data providers and proprietary models, as well as directly communicating with the issuer; and

  ii. there are no controversies in relation to such instrument. Such controversies may arise from the stated financing goals, type of activity, governance and reporting expectations which are inferior to the current ICMA standard and market practice; and

  iii. according to an independent and market recognized second party opinion the instrument's framework is verified and aligned with the relevant standard and the market practice.

  2) **Sovereign Issuer Net UN SDG Impact Score**. When investing in sovereign bonds, the Investment Manager has developed a tiered classification system for considering certain sovereign issuances to be sustainable investments. The approach consists of four tiers, where issuers in tier 1 and 2, which have a positive overall SDG score and at least 85% net positive UN SDG sub-category scores, are considered to meet such consideration. Issuers in tier 3 and 4 are not sustainable investments, but may have environmental and/or social characteristics.

  3) **Company or Corporate Issuer's Net UN SDG Impact Score.** When investing in companies or corporate issued instruments which are not UOP, the Investment Manager selects companies or issuers with a net positive SDG score, based on the outputs from the ESG rating system.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled Investment Strategy for additional details. As part of such asset management strategy, weight is also given to ESG considerations when evaluating instruments with comparable profiles.

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

There is no committed minimum rate at the level of the Sub-Fund to reduce the scope of the investments considered prior to the application of the investment strategy.

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

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

The Sub-Fund will typically focus on exposure to a broad range of fixed income securities and instruments.

In the context of exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Investment Manager, the Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in

terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to investment.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

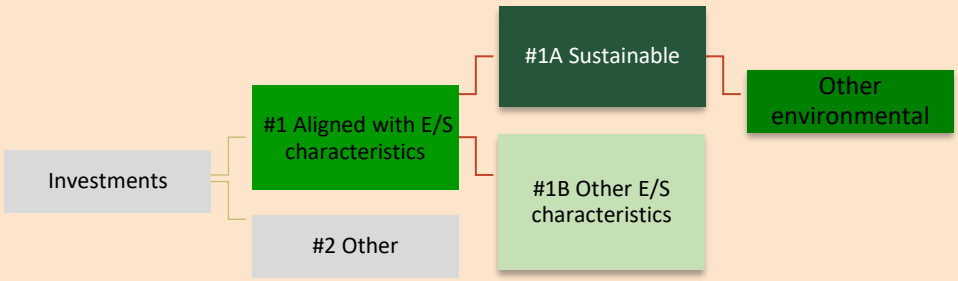
At least 90% of the assets of the Sub-Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 15% of the assets of the Sub-Fund will be committed to sustainable investments which are not aligned with the EU Taxonomy (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.

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 Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Sub-Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Sub-Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Sub-Fund attaining the environmental and/or social characteristics it promotes.

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

The Sub-Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned

investments shall be zero per cent.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply wi the EU Taxonomy?[1]

☐ Yes:

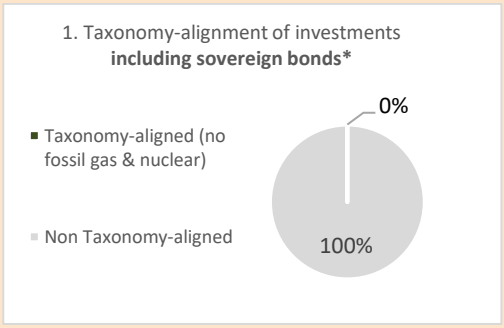
☐ In fossil gas ☐ In nuclear energy

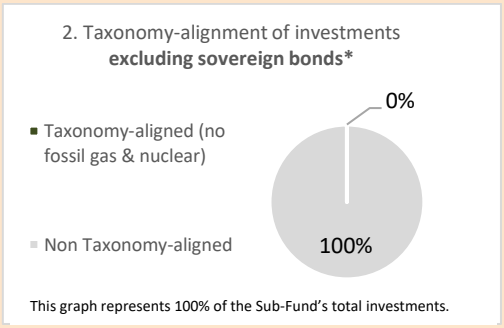
☒ No

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*

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

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Sub-Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

The Sub-Fund commits to a minimum share of 15% sustainable investments of the assets of the Sub-Fund. Such sustainable investments can consist of non-Taxonomy aligned investments and Taxonomy-aligned investments. The Investment Manager expects the primary constituent of this portion to be non-Taxonomy aligned sustainable investments with an environmental objective and that such portion will continuously be greater than 0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable

[1] *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. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of socially sustainable investments?

The Sub-Fund does not commit to invest any proportion of its assets in socially sustainable investments. Accordingly, the level of committed socially sustainable investments shall be zero per cent.

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

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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an issuer. Investors should note that while the Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"

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?

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

The Benchmark used by the Sub-Fund is a mainstream index and does not take account of ESG factors and is therefore not consistent with the environmental and social characteristics promoted by the Sub-Fund.

Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Investment Manager's website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT EM LC Bond Fund

Sub-Fund Supplement

LGT EM LC Bond Fund

1 Introduction

This Supplement contains specific information in relation to LGT EM LC Bond Fund (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium to high volatility.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

As the Sub-Fund may invest more than 30% of its Net Asset Value in fixed income securities, which are below investment grade, and/or more than 20% of its Net Asset Value in emerging market countries, an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the sections of the Investment Conditions entitled Investment in Fixed Income Securities Risk and the risk factor Emerging Markets Risk for further details.

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Orientated Fund. The UCITS reserves the right to reassess this at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Orientated Fund, this Supplement shall be updated accordingly.

3 General

Base Currency	means Euro. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Benchmark	means the JPM GBI – EM Global Diversified (TR) Index.

Benchmark Administrator	means J.P. Morgan Securities LLC.
Business Day	means any day on which banks are open for business in Ireland, Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-fund and/or such other day or days as the UCITS or Management Company may, with the consent of the Depositary, determine.
Central Bank	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Master Fund.
Dividend policy	means the dividend policy applicable to each Class and set out in Section 8. *Accumulating Classes* In the case of Classes comprised of accumulating Units, the net income and profits (if any) available for distribution will be accumulated and reflected in the Net Asset Value of the Class. *Distributing Classes* In the case of Classes comprised of distributing Units, the Directors may determine to make an annual cash distribution to the holders of such distributing Classes. No interest will be paid on announced distributions as from the time of their due date. Investors should be aware that the ability of the Sub-Fund to pay any distribution is subject to the liquidity constraints of the Sub-Fund. Distributions may be paid out of any combination of net income and realised and unrealised gains (i.e. net income and realised and unrealised gains net of realised and unrealised losses)) and capital so that where income during the relevant period is less than the amount declared, the balance will be paid out of the capital represented by the relevant Units, which will enable the distributing Classes to distribute regular dividends. Investors should be aware that any distribution paid will reduce the Net Asset Value per Unit in respect of distributing Classes. Investors should note that distributions may be declared out of capital and therefore investors should read and consider the sections of the Investment Conditions entitled Important Information and the risk factor 'Capital Erosion Risk'.
Emerging Markets	means markets of countries that are in the process of becoming modern industrialised countries. Such markets have a higher growth potential but are also subject to higher risks compared to developed markets.
Information Sharing Agreement	means the information sharing agreement put in place between the investment Manager of the Sub-Fund and the Master Fund Investment Manager in order to set out the classes of the Master Fund available for investment by the Sub-Fund. The Investment Manager (or the Management Company, as the case may be) of the Sub-Fund and the Master Fund Investment Manager (or the Master Fund Management Company, as the case may be), have put in place an Information Sharing Agreement (the "Information Sharing Agreement") in relation to the investment by the Sub-Fund in units of the Master Fund. The Information Sharing Agreement sets out which unit classes of the Master Fund are available for

	investment by the Sub-Fund, details of the charges and expenses to be borne by the Sub-Fund, the standard dealing arrangements and the events affecting dealing arrangements. Further information relating to the Master Fund (including the offering memorandum and articles of association) and the Information Sharing Agreement are available, free of charge, from the Master Fund Management Company.
Master Fund	means "LGT EM LC Bond Sub-Fund", a sub-fund of Crown Sigma UCITS plc, an umbrella open-ended Investment Company with variable capital and segregated liability between sub-funds. Crown Sigma UCITS plc has been authorized by the Central Bank of Ireland as a UCITS undertaking.
Master Fund Investment Manager	means the investment manager of the Master Fund, LGT Capital Partners Ltd. or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Master Fund Management Company	means the management company of the Master Fund, LGT Capital Partners (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth with a long term investment time horizon who are willing to set aside capital for at least five years, primarily seeking constant returns and who are prepared to accept a moderate to high level of volatility from time to time.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. Due to the predominant investment of the assets of the Sub-Fund in the Master Fund, investors will be exposed to investments in emerging markets, which, due to social, political and economic instability, may be riskier than investments in non-emerging market securities, and which may reduce the income of the Sub-Fund. In particular, investments in emerging markets are subject to, but not limited to, the following risks: defective or inexperienced operational processes and procedures, political and social unrest, exchange control, currency instability, high rates of domestic inflation, restriction on repatriation of capital (including possible imposition of currency blockages), sovereign/foreign debt, instability or limited liquidity or regulation on the securities market, relatively high transaction and investment costs, credit risk of the counterparty (with respect to single transactions), political changes, government regulation, unstable social conditions or diplomatic developments, differences in accounting or auditing standards, difficulty obtaining information about counterparties, as well as market volatility or insufficient liquidity of the Master Fund. The use of financial derivatives for purposes other than hedging may give rise to increased risk. As the Sub-Fund will invest at least 85% of its assets in the Master Fund (excluding up to 15% holding of ancillary liquid assets and/or currency hedging instruments), it will not be diversified. It will be the intention to achieve diversification at the Master Fund level, however, the Sub-Fund cannot guarantee or control the Master Fund in this regard. According to its investment restrictions the Sub-fund must invest at least 85% of its assets in the Master fund. This requirement must also be fulfilled in the event of a negative performance.

	The performance of the Sub-Fund may differ from the performance of the Master Fund. This deviation results from the fact that the Sub-Fund does not invest 100% of its assets in the Master Fund, but also has investments in liquid assets. These liquid assets are necessary in order to pay back possible redemptions, or other costs, fees and expenses of the Sub-Fund which may be due. In situations where the Sub-Fund enters into currency exchange transactions to hedge against currency fluctuations, it should be noted that such hedging activities may cause both profit and loss, as the case may be, and will impact the net asset value per class. There can be no assurance that currency hedging will be entirely successful.
Termination of the Master Fund	In circumstances where the Master Fund is liquidated, the Sub-Fund shall also be liquidated unless the FMA approves: (i) the investments of at least 85% of the Sub-Fund's net asset value in the units of another master UCITS, or (ii) the amendment of the constitutional documents in order to enable the Sub-Fund to convert into a UCITS which is not a feeder UCITS. In circumstances where the Master Fund merges with another UCITS or is divided into two or more UCITS, the Sub-Fund shall be liquidated unless the FMA grants prior approval to the Sub-Fund to: (i) continue to be a feeder UCITS of the Master Fund or another UCITS resulting from the merger or division of the Master Fund; (ii) invest at least 85% of the Sub-Fund's net asset value in the units of another master UCITS not resulting from the merger or division of the Master Fund; or (iii) amend the constitutional documents in order to enable the Sub-Fund to convert into a UCITS which is not a feeder UCITS.

4 Investment management

Investment Objective	The Sub-Fund is a feeder UCITS, which permanently invests at least 85% of its net asset value in the Master Fund. The investment objective of the Sub-Fund is to participate in the performance of the Master Fund. The investment objective of the Master Fund is to generate consistent medium-term capital appreciation. There can be no assurance that the Sub-Fund will achieve its investment objective.
Investment Focus	Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions, the Master Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) primarily in fixed income securities and currencies and to a lesser extent in other securities, as further described below under Permitted Investments & Techniques ("**Target Asset Classes**"). The Sub-Fund does not pursue a specific sectoral focus.
Permitted Investments & Techniques	The Sub-Fund may invest up to 15% of its net asset value in liquid assets, including deposits with credit institutions (which are either located in an EEA country or in a third country where the supervision rules are equivalent to the EEA), and which are repayable on demand (or have the right to be withdrawn) and will mature in no more than 12 months; and in financial derivative instruments (e.g. options, financial futures and currency forward transactions traded on stock exchanges or on the OTC-market) which may solely be used for hedging purposes

The Master Fund may invest primarily in a broad range of fixed income securities and instruments issued by issuers from Emerging Markets and / or denominated in Emerging Markets currencies or otherwise linked or related to Emerging Markets, such as bonds, including inter alia inflation-linked or high-yield bonds, Credit Linked Notes, treasuries, floating rate notes and Money Market Instruments (including certificates of deposit and fixed or variable rate commercial paper) and in cash, denominated in such currencies as the Master Fund Investment Manager may determine.

The bonds in which the Master Fund may invest can be government and/or corporate bonds and can be fixed and/or floating rate, where appropriate and may be investment grade or below investment grade, as determined by Standard & Poor's Rating Group or any similar recognised ratings agency.

The Master Fund may invest in fixed income securities traded on the China Inter-Bank Bond Market (the "**CIBM**") either directly or via Bond Connect. Please refer to the sections of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies and the risk factor Investment in China for further details.

The Master Fund may also invest up to 10% of its assets (excluding cash and Cash Equivalents) in fixed income securities and instruments worldwide. Such fixed income securities and instruments can be denominated in any currency.

The Master Fund will have exposure to a wide range of foreign currencies, primarily from Emerging Markets.

The Master Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Master Fund will be managed to operate, in normal circumstances, on a long only basis.

Save where otherwise permitted by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), the Sub-Fund shall only invest in securities, Money Market Instruments and FDI which are listed or traded on Regulated Markets.

When selecting investments for the Master Fund, the Master Fund Investment Manager will take into account the ESG analysis, as further described below under Investment Strategy.

The Master Fund may gain exposure to the Target Asset Classes either:

(a) by direct investment in various underlying securities, such as bonds;

(b) indirectly through the use of FDI; or

(c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Master Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

(a) futures (including interest rate futures, financial futures, currency futures and index futures);

(b) options (including non-deliverable currency options);

(c) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps);

(d) forwards (including currency forwards and non-deliverable forwards);

(e) warrants (up to 5% of the Net Asset Value of the Sub-Fund).

Details relating to each of these FDIs are set out in the section of Master Fund prospectus entitled Investment Objectives, Techniques, Instruments and Strategies.

Investment Strategy

The Master Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that the Master Fund Investment Manager uses the Benchmark to provide a framework for the Master Fund's main investable universe, for risk measurement metrics and for performance comparison purposes.

The Benchmark is a global local Emerging Markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds. Further information regarding the Benchmark is available on www.jpm.com.

A proportion of the Master Fund's portfolio, such proportion to be defined by the Master Fund Investment Manager from time to time, may be components of the Benchmark and the portfolio may have similar weightings to the Benchmark, however, the Master Fund Investment Manager retains full discretion over the composition of the portfolio subject to the investment restrictions specified in the Master Fund prospectus and the Master Fund Supplement. Accordingly, the Master Fund may, at the Master Fund Investment Manager's discretion, be invested in markets and constituents not referenced in the Benchmark to the extent and within such constraints as the Master Fund Investment Manager determines appropriate.

The Master Fund Investment Manager actively seeks to achieve outperformance of the Benchmark by making active investment decisions in relation to the portfolio's allocation to countries, currencies, duration or credit segmentation (not exhaustive) relative to the Benchmark.

Active Asset Management Strategy

When selecting investments for the Master Fund, the Master Fund Investment Manager (1) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further below and in Annex I to this Supplement; and (2) conducts a fundamental analysis of asset classes, currencies and issuers (countries, supranational issuers, etc.) to make tactical asset allocations both within and outside of the Benchmark.

1. ESG Analysis

The ESG analysis takes into consideration ESG aspects of countries and supranational issuers (for the avoidance of doubt, supranational issuers are also considered to include AAA-rated development banks).

It should be noted that the Master Fund aims to provide investors with exposure to Emerging Markets and the ESG assessment has been positioned for such markets. Investors should note that the intention of the ESG assessment is to holistically assess the ESG performance of Emerging Market countries on a relative basis.

On this basis, the Master Fund Investment Manager applies a long time horizon to its ESG assessment. The aim is to filter short term noise with discernible long-term indicators, collated from a diverse range of sources, of a country’s true developmental direction as compared to other Emerging Market countries

	For further information in respect of how ESG is integrated, please refer to Annex I of this Supplement. 2. Fundamental Analysis The Master Fund Investment Manager conducts; (a) a top-down assessment of global macroeconomic factors and (b) a bottom-up analysis of individual issuers: (a) The top-down assessment is used to determine the attractiveness of various fixed-income segments, countries, yield curves, rates, credit segmentation and currencies. This approach is based on a systematic analysis covering both fundamental analysis (structural and cyclical factors) and market conditions (market information and valuations) for all regions/countries, relevant credit segments and currencies referenced in the Benchmark. (b) The bottom-up approach is used for the selection of the individual securities. In this context, the Master Fund Investment Manager will consider country specific characteristics of each market, e.g.: available instruments, liquidity or relative value considerations.
Benchmark Regulation	The Benchmark Administrator appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulations. The Master Fund Management Company has put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that the Benchmark materially changes or ceases to be provided. These written plans detail the steps the Master Fund Management Company will take to nominate a suitable alternative Benchmark. A copy of the Master Fund Management Company's policy on cessation or material change to a benchmark is available upon request from the Master Fund Management Company.
Collective Investment Schemes	The Master Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Master Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes. The Master Fund may invest in other Sub-Funds of the Company in accordance with the requirements of the Central Bank.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund shall not enter into repurchase agreements and reverse repurchase agreements.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Master Fund Investment Manager expects to generally not enter into transactions to secure the Master Fund's portfolio against currency exchange rate fluctuations through the use of FDI but may decide to do so from time to time on an opportunistic basis.

	See the section of the Master Fund prospectus titled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favourably or un-favourably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Investment Manager utilises a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the commitment approach.
Leverage	The Sub-Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means any Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the Business Day preceding the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS or the Management Company.
Investor Eligibility	Means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemption	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.

Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23.59 Irish time on the relevant Valuation Day.
Dilution Adjustments	None.

7 Fees & expenses

Establishment and Operational Fees and Expenses	Establishment expenses associated with the Sub-Fund have been fully amortised. The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.

Anti-Dilution Levy	The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 2% of the Net Asset Value per Unit.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly. This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below. *Fees of the Management Company* The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS. *Fees of the Depositary and Administrator* The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund. The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates. The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) B	LI0133634662	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.25%	1.20%	Permitted	1,000	30.09.2011
(CHF) B	LI0133634688	CHF	No									30.09.2011
(USD) B	LI0133634670	USD	No									30.09.2011
(EUR) A	LI0133634696	EUR	No	Distributing								30.09.2011
(USD) A	LI0133634704	USD	No									25.06.2012

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) I1	LI0133634712	EUR	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.20%	0.60%	Permitted	1,000	29.07.2014
(USD) I1	LI0133634720	USD	No									

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) C	LI0247154813	USD	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.24%	0.65%	Not permitted	1,000	03.12.2014

Unit Classes open only to specific groups of investors[§]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) IM	LI0133634746	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.20%	0.25%	Permitted	1,000	30.09.2011

[1] Denominated in Class Currency.

\# These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

§ These Classes shall only be open for persons or entities, who at the time of the subscription, belong to one of the following groups:

- directors of any company of LGT Group;
- employees (including part-time employees) with a permanent employment contract of any company of LGT Group;
- recipients of retirement and disability pensions from LGT Group, however, pension recipients with external membership according to the regulations of the staff benefits foundation are excluded;
- widows and widowers of former employees or pension recipients of LGT Group, however, widows and widowers of former employees or pension recipients with external membership according to the regulation of the staff benefits foundation are excluded;
- children of employees as well as children of retired or deceased employees of any company of LGT Group until the completion of their 18th year and if the children are not included in any group above;
- any other persons who are entitled to employee concessions of any company of LGT Group; or
- clients of LGT Group companies that have entered into a respective cooperation, advisory or discretionary management agreement.

SFDR Annex

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: LGT Funds SICAV – LGT EM LC Bond Fund

Legal entity identifier: 549300DG8PE5B7GLO141

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
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**[5]

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.** The 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.

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

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

The Sub-Fund (a) achieves its financial objectives; and (b) promotes its environmental and social characteristics, indirectly via the investment of substantially all of its assets in the Master Fund. Disclosures contained in this Annex will refer to the Master Fund and provide information regarding how the Master Fund seeks to measure, manage and attain the environmental and social characteristics it promotes. Where relevant, disclosure will also be provided directly from the Sub-Fund's perspective and in some cases disclosures will reflect the Sub-Fund's indirect exposures, based on its proportionate allocation to the Master Fund.

The Master Fund Investment Manager promotes environmental and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

The Master Fund Investment Manager conducts an assessment of ESG factors, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (the "**Country Selection Model**"), resulting in a specific country classification (the "**ESG Rating**").

5 For the avoidance of doubt, neither the Master Fund nor the Sub-Fund commit to making sustainable investments, but such investments may exist in the Master Fund on a non-committal basis.

Environmental and/or social characteristics considered as part of the ESG Rating (and therefore promoted as environmental and/or social characteristics by the Master Fund) include:

- *Green energy, emissions, natural resources, education, health, standards of living, civil liberties, gender equality, institutional strength, corruption, democracy, political stability.*

- Environmental and/or social characteristics are further enriched with *economic development inputs,* such as *economic growth and economic stability,* on the basis that such characteristics are often intrinsically linked with the long-term ESG direction of Emerging Markets.

The above characteristics are assessed on a backward-looking basis using systematic data and enriched on an ongoing basis with forward-looking dissemination of in-house research, political assessments and research meetings.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **Integration of ESG**. Whether the Master Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Master Fund Investment Manager has successfully and consistently integrated ESG into its investment process. This will be measured by:
    - The successful and consistent application of the ESG Rating as part of the Master Fund's Country Selection Model in respect of the investment selection process; and
    - The successful and consistent application of the Master Fund's ESG exclusion policy. Exclusions are applied in the investment selection process based on the ESG Rating as a means of promoting environmental and social characteristics, as more fully described in the section of this Annex entitled "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 "**ESG Exclusion Policy**").

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. Neither the Master Fund nor the Sub-Fund make a commitment to 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. Neither the Master Fund nor the Sub-Fund make a commitment to sustainable investments.

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

Not applicable. Neither the Master Fund nor the Sub-Fund make a commitment to sustainable investments.

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

Not applicable. Neither the Master Fund nor the Sub-Fund make a commitment to

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 this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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



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

✖ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Master Fund Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Master Fund Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Master Fund Investment Manager's website and the Master Fund's forthcoming annual report.

☐ No



What investment strategy does this financial product follow?

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

To achieve the investment objective, the Master Fund may invest (either directly or indirectly) primarily in a broad range of fixed income securities issued by issuers from Emerging Markets and / or denominated in Emerging Markets currencies or otherwise linked or related to Emerging Markets.

When selecting investments for the Master Fund, the Master Fund Investment Manager promotes environmental and/or social characteristics in the manner described further in this SFDR Annex.

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?

Investments are selected taking into account the following:

- **Screening based on ESG Rating.** The Master Fund Investment Manager utilises its ESG Rating system as part of the Country Selection Model in respect of potential investments. The Master Fund Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG Rating provides a ranking based on ESG criteria, whereby issuers within the investment universe with more attractive ESG values are scored more highly than others. The application of the ESG exclusion policy is embedded into the

Master Fund's investment selection process and is therefore a binding element.

The ESG Rating is utilised to assign a long-term country classification, which determines the investable universe, based on the following scale:

A	High performance relative to other Emerging Market countries
B+	Good performance relative to other Emerging Market countries
B-	Acceptable performance relative to other Emerging Market countries
C	Weak performance relative to other Emerging Market countries
F	Minimum criteria not met (non-investable)

- **ESG Exclusion Policy**. Exclusions are applied in the investment selection process based on the abovementioned ESG Rating. The application of the ESG rating exclusion is embedded into the Master Fund's investment selection process and is therefore a binding element.

  i. Countries rated A to B-, inclusive, are considered as having environmental and/or social characteristics and are therefore investable.
  ii. For the avoidance of doubt, bonds issued by supranational issuers denominated in currencies of C rated countries (e.g. supranational green bond issuances tied to a specific UOP) may also be considered as having environmental and/or social characteristics and are therefore investable.
  iii. Currency-related exposures of such C rated countries (e.g. FX derivatives) are not considered as having environmental and/or social characteristics, and while these are investable, they will form part of the asset allocation of the Master Fund to investments other than those aligned with the environmental/social characteristics promoted by the Master Fund, as further discussed under the section of this Annex titled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"
  iv. With the exception of the instances provided for above at ii. and iii., country issuances rated "C" are deemed non-investable and are fully excluded from the entire portfolio.
  v. Countries rated "F", that are deemed non-investable, are fully excluded from the entire portfolio.

- **Positive Consideration**. In terms of government bonds, where investment criteria are comparable, the Master Fund Investment Manager gives preference to countries with a higher ESG Rating as opposed to more weakly rated countries. For investments in supranational issuances, where investment criteria are comparable, the Master Fund Investment Manager gives preference to bonds rated more highly on ESG. The application of this positive consideration is embedded into the Master Fund's investment selection process and is therefore a binding element.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled "Investment Strategy".

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

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

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

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

The Master Fund will typically focus on exposure to fixed income securities issued by issuers in the public sector or supranational issuers.

In the context of limited, if any, exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Master Fund Investment

Manager, the Master Fund Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to investment.

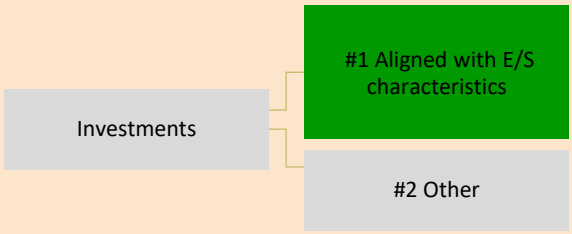
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

At least 50% of the assets of the Master Fund will be allocated to investments aligned with environmental and/or social characteristics (#1).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.



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

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

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

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

The Master Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Master Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Master Fund attaining the environmental and or social characteristics it promotes.

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

The Master Fund does not aim to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[6]

☐ Yes

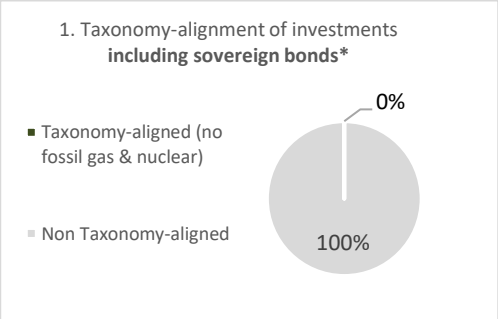
☐ In fossil gas ☐ In nuclear energy

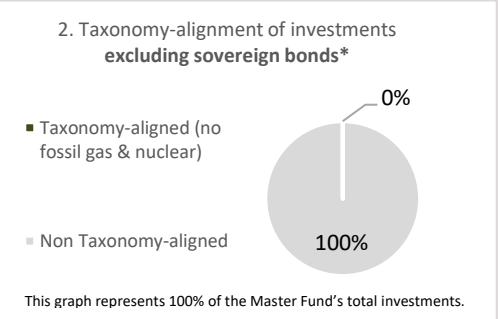
☒ No

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*

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

The Master Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Master Fund does not commit to invest in sustainable investments in transitional and enabling activities.

[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. The full criteria for fossil gas and nuclear energy economic activities
that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

Not applicable. Neither the Master Fund nor the Sub-Fund make a commitment to sustainable investments.

What is the minimum share of socially sustainable investments?

Not applicable. Neither the Master Fund nor the Sub-Fund make a commitment to sustainable investments.

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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

For the avoidance of doubt, this would include investments in pure currency-related exposures (e.g. FX derivatives), including those of countries rated C pursuant to the ESG Rating.

A screening is conducted to capture countries subject to comprehensive sanctions, per the Master Fund Investment Manager's policy, which is taken into account as part of the final ESG score of an applicable country.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Master Fund Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Master Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Master Fund Investment Manager as contributing towards the environmental or social characteristics promoted by the Master Fund. In such circumstances these investments will no longer be considered "Other".

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic

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?

Neither the Sub-Fund nor the Master Fund has designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that they promote.

The Benchmark used by the Master Fund is a mainstream index and does not take account of ESG factors and is therefore not consistent with the environmental and social characteristics promoted by the Master Fund.

Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Master Fund Investment Manager's website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Sustainable Bond Fund Global

Sub-Fund Supplement

LGT Sustainable Bond Fund Global

1 Introduction

This Supplement contains specific information in relation to LGT Sustainable Bond Fund Global (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging and efficient portfolio management purposes (as detailed below under Section 8).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium volatility.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Orientated Fund. The UCITS reserves the right to reassess this at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Orientated Fund, this Supplement shall be updated accordingly.

3 General

Base Currency	means Euro. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Benchmark	means the Bloomberg Barclays Global Aggregate Ex-Securitized (TR) Index.
Benchmark Administrator	means Bloomberg Index Services Limited.
Business Day	means any day on which banks are open for business in Ireland, Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets

	contained in the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Central Bank	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Master Fund.
Dividend policy	means the dividend policy applicable to each Class and set out in Section 8. *Accumulating Classes* In the case of Classes comprised of accumulating Units, the net income and profits (if any) available for distribution will be accumulated and reflected in the Net Asset Value of the Class. *Distributing Classes* In the case of Classes comprised of distributing Units, the Directors may determine to make an annual cash distribution to the holders of such distributing Classes. No interest will be paid on announced distributions as from the time of their due date. Unitholders should be aware that the ability of the Sub-Fund to pay any distribution is subject to the liquidity constraints of the Sub-Fund. Distributions may be paid out of any combination of net income and realised and unrealised gains (i.e. net income and realised and unrealised gains net of realised and unrealised losses)) and capital so that where income during the relevant period is less than the amount declared, the balance will be paid out of the capital represented by the relevant Units, which will enable the distributing Classes to distribute regular dividends. Investors should be aware that any distribution paid will reduce the Net Asset Value per Share in respect of distributing Classes. Investors should note that distributions may be declared out of capital and therefore investors should read and consider the sections of the Investment Conditions entitled Important Information and the risk factor 'Capital Erosion Risk'.
Information Sharing Agreement	means the information sharing agreement put in place between the Investment Manager and the Master Fund Investment Manager in order to set out the classes of the Master Fund available for investment by the Sub-Fund. The Investment Manager (or the Management Company, as the case may be) of the Sub-Fund and the Master Fund Investment Manager (or the Master Fund Management Company, as the case may be) of the Master Fund, have put in place an Information Sharing Agreement (the "**Information Sharing Agreement**") in relation to the investment by the Sub-Fund in units of the Master Fund. The Information Sharing Agreement sets out which unit classes of the Master Fund are available for investment by the Sub-Fund, details of the charges and expenses to be borne by the Sub-Fund, the standard dealing arrangements and the events affecting dealing arrangements. Further information relating to the Master Fund (including the prospectus and articles of association) and the Information Sharing Agreement are available, free of charge, from the Master Fund Management Company.
Master Fund	means "LGT Sustainable Bond Global Sub-Fund", a sub-fund of Crown Sigma UCITS plc, an umbrella open-ended Investment Company with variable capital and segregated liability

	between sub-funds. Crown Sigma UCITS plc has been authorized by the Central Bank of Ireland as a UCITS undertaking.
Master Fund Investment Manager	means the investment manager of the Master Fund, LGT Capital Partners Ltd. or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Master Fund Management Company	means the management company of the Master Fund, LGT Capital Partners (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth with a medium term investment time horizon who are willing to set aside capital for at least four years, primarily seeking constant returns and who are prepared to accept a moderate level of volatility from time to time.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. The Sub-Fund and the Master Fund are subject to a higher level of interest rate risk, which may have negative effects on net assets. Other risks may occur, such as currency risk, issuer risk and also market risk. The use of financial derivatives for purposes other than hedging may give rise to increased risk. As the Sub-Fund will invest at least 85% of its assets in the Master Fund (excluding up to 15% holding of ancillary liquid assets and/or currency hedging instruments) it will not be diversified. It will be the intention to achieve diversification at the Master Fund level, however, the Sub-Fund cannot guarantee or control the Master Fund in this regard. According to its investment restrictions the Sub-Fund must invest at least 85% of its assets in the Master Fund. This requirement must also be fulfilled in the event of a negative performance. The performance of the Sub-Fund may differ from the performance of the Master Fund. This deviation results from the fact that the Sub-Fund does not invest 100% of its assets in the Master Fund, but also has investments in liquid assets. These liquid assets are necessary in order to pay back possible redemptions, other costs, fees and expenses of the Sub-Fund which may be due. In situations where the Sub-Fund enters into currency exchange transactions to hedge against currency fluctuations, it should be noted that such hedging activities may cause both profit and loss, as the case may be, and will impact the net asset value per class. There can be no assurance that currency hedging will be entirely successful.
Termination of the Master Fund	In circumstances where the Master Fund is liquidated, the Sub-Fund shall also be liquidated unless the FMA approves: (i) the investments of at least 85% of the Sub-Fund's net asset value in the units of another master UCITS, or (ii) the amendment of the constitutional documents in order to enable the Sub-Fund to convert into a UCITS which is not a feeder UCITS. In circumstances where the Master Fund merges with another UCITS or is divided into two or more UCITS, the Sub-Fund shall be liquidated unless the FMA grants prior approval to the Sub-Fund to: (i) continue to be a feeder UCITS of the Master Fund or another UCITS resulting from the merger or division of the Master Fund; (ii) invest at least 85% of the Sub-Fund's net asset

value in the units of another master UCITS not resulting from the merger or division of the Master Fund; or (iii) amend the constitutional documents in order to enable the Sub-Fund to convert into a UCITS which is not a feeder UCITS.

4 Investment management

Investment Objective

The Sub-Fund is a feeder UCITS, which permanently invests at least 85% of its net asset value in the Master Fund. The investment objective of the Sub-Fund is to participate in the performance of the Master Fund. The investment objective of the Master Fund is to generate consistent medium-term capital appreciation, while also contributing to long-term social, economic and environmental well-being, globally.

There can be no assurance that the Sub-Fund will achieve its investment objective.

Investment Focus

Subject to the investment restrictions specified in Appendix 1 to the Master Fund prospectus, the Master Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) primarily in fixed income securities and currencies and to a lesser extent in other securities, as further described below under Permitted Investments & Techniques ("**Target Asset Classes**").

The Master Fund does not pursue a specific sectoral focus.

Permitted Investments & Techniques

The Sub-Fund may invest up to 15% of its net asset value in liquid assets, including deposits with credit institutions (which are either located in an EEA country or in a third country where the supervision rules are equivalent to the EEA), and which are repayable on demand (or have the right to be withdrawn) and will mature in no more than 12 months; and in financial derivative instruments (e.g. options, financial futures and currency forward transactions traded on stock exchanges or on the OTC-market) which may solely be used for hedging purposes.

The Master Fund may invest primarily in a broad range of fixed income securities and instruments listed or traded on Regulated Markets and issued by private or public debtors all over the world taking into account the quality and sustainability aspects mentioned below as well as adequate risk diversification, such as bonds, including inter alia inflation-linked or high-yield bonds or Convertible Bonds, Credit Linked Notes, treasuries, floating rate notes and Money Market Instruments (including certificates of deposit and fixed or variable rate commercial paper) and in cash, denominated in such currencies as the Master Fund Investment Manager may determine).

The bonds in which the Master Fund may invest can be government and/or corporate bonds and can be fixed and/or floating rate, where appropriate and may be investment grade or below investment grade, as determined by Standard & Poor's Rating Group or any similar recognised ratings agency.

The Master Fund may invest up to 10% of its Net Asset Value in aggregate in Convertible Bonds and notes as well as warrant-linked bonds, and also up to 10% of its Net Asset Value in aggregate in shares and other equity securities and instruments as well as warrants.

The Master Fund will have exposure to a wide range of foreign currencies.

The Master Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

Save where otherwise permitted by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011),, the Sub-Fund shall only invest in securities, Money Market Instruments and FDI which are listed or traded on Regulated Markets.

When selecting investments for the Master Fund, the Master Fund Investment Manager will take into account the ESG analysis, as further described below under Investment Strategy.

It is intended that the Master Fund will be managed to operate, in normal circumstances, on a long only basis.

The Master Fund may gain exposure to the Target Asset Classes either:

(a) by direct investment in various underlying securities, such as bonds;

(b) indirectly through the use of FDI; or

(c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Master Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

(a) futures (including interest rate futures, financial futures, currency futures and index futures);

(b) options (including non-deliverable currency options);

(c) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps);

(d) forwards (including currency forwards and non-deliverable forwards);

(e) warrants.

Details relating to each of these FDIs are set out in the section of the Master Fund prospectus entitled Investment Objectives, Techniques, Instruments and Strategies.

Pursuant to the investment objective and strategy of the Sub-Fund, the Sub-Fund will invest at least 85% of its assets in the Master Fund and up to 15% of its assets in liquid assets, as described in above

Subject to the Master Fund's investment restrictions and the UCITS law, the Master Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Master Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the Master Fund Investment Manager's sole judgement, provide the best profit opportunities and are consistent with the Master Fund's investment objective and permitted investments.

Investment Strategy

The Master Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that the Master Fund Investment Manager uses the Benchmark to provide a

framework for the Master Fund's main investable universe, for risk measurement metrics and for performance comparison purposes.

The Benchmark provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. Further information regarding the Benchmark including the methodology used for the calculation of the Benchmark, is available on www.bloomberg.com/professional/product/indices/.

A proportion of the Master Fund's portfolio, such proportion to be defined by the Master Fund Investment Manager from time to time, may be components of the Benchmark and the portfolio may have similar weightings to the Benchmark, however, the Master Fund Investment Manager retains full discretion over the composition of the portfolio subject to the investment restrictions specified in the Master Fund prospectus and Supplement. Accordingly, the Master Fund may, at the Master Fund Investment Manager's discretion, be invested in markets and constituents not referenced in the Benchmark to the extent and within such constraints as the Master Fund Investment Manager determines appropriate.

The Master Fund Investment Manager actively seeks to achieve outperformance of the Benchmark by making active investment decisions in relation to the portfolio's allocation to countries, currencies, duration or credit segmentation (not exhaustive) relative to the Benchmark.

Active Asset Management Strategy

When selecting investments for the Master Fund, the Master Fund Investment Manager (1) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further in Annex I to this Supplement; and (2) conducts a fundamental analysis of asset classes, currencies and issuers (countries, companies, etc.) referenced in the Benchmark to make tactical asset allocations both within and outside of the Benchmark.

(a) ESG Analysis

Please refer to Annex I to this Supplement for further details.

(b) Fundamental Analysis

The Master Fund Investment Manager conducts; (1) a top-down assessment of global macroeconomic factors and (2) a bottom-up analysis of individual issuers.

1) The top-down assessment is used to determine the attractiveness of various fixed-income segments, country allocations, yield curve positioning, duration, credit segmentation and currencies. This approach is based on a systematic analysis covering both fundamental analysis (structural and cyclical factors) and market conditions (market information and valuations) for all regions/countries, relevant credit segments and currencies referenced in the Benchmark.

2) The bottom-up approach is used for the selection of the individual securities. In this context, the Master Fund Investment Manager will consider issuer specific characteristics, e.g.: its financial strength, franchise strength, debt-to-GDP levels and projection and liquidity levels.

Benchmark Regulation

The Benchmark Administrator appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulations.

	The Master Fund Management Company has put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that the Benchmark materially changes or ceases to be provided. These written plans detail the steps the Master Fund Management Company will take to nominate a suitable alternative Benchmark. A copy of the Master Fund Management Company's policy on cessation or material change to a benchmark is available upon request from the Master Fund Management Company.
Collective Investment Schemes	The Master Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Master Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes. The Master Fund may invest in other Sub-Funds of the Company in accordance with the requirements of the Central Bank.
Total Return Swaps	Through its investment in the Master Fund, the Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund shall not enter into repurchase agreements and reverse repurchase agreements.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Master Fund Investment Manager expects to generally not enter into transactions to secure the Master Fund's portfolio against currency exchange rate fluctuations through the use of FDI but may decide to do so from time to time on an opportunistic basis. See the section of the prospectus of the Master Fund titled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favourably or un-favourably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Investment Manager utilises a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the commitment approach.
Leverage	The Sub-Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means any Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS or the Management Company.
Investor Eligibility	Means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.

Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the Directors or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23.59 Irish time on the relevant Valuation Day.
Dilution Adjustments	None.

7 Fees & expenses

Establishment and Operational Fees and Expenses	Establishment expenses associated with the Sub-Fund have been fully amortised. The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for investment management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Anti-Dilution Levy	The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 2% of the Net Asset Value per Unit.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly. This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below. *Fees of the Management Company* The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) B	LI0106892909	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.18%	0.90%	Permitted	1,000	30.11.2009
(CHF) B	LI0148578094	CHF	No									[ ]
(USD) B	LI0148578102	USD	No									
(EUR) A	LI0106892867	EUR	No	Distributing								31.03.2010

Unit Classes open only to specific groups of investors#:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) I1	LI0106892917	EUR	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.14%	0.45%	Permitted	1,000	09.12.2010
(CHF) I1	LI0148578128	CHF	No									[ ]
(USD) I1	LI0148578136	USD	No									31.03.2012
(USD) I1A	LI1402272622	USD	No	Distributing								[ ]

Unit Classes open only to specific groups of investors%:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(CHF) C	LI0247156123	CHF	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.18%	0.55%	Not permitted	1,000	[ ]
(USD) C	LI0247156131	USD										

[1] Denominated in Class Currency.

These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;

- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

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.** The 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.

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

SFDR Annex

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: LGT Funds SICAV - LGT Sustainable Bond Fund Global

Legal entity identifier: 549300IPCWX706Q2VC54

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ Yes
- ☒ No

- ☐ It will make a minimum of sustainable investments with an environmental objective: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of sustainable investments with a social objective: ___%
- ☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% 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 (a) achieves its financial objectives; and (b) promotes its environmental and social characteristics, indirectly via the investment of substantially all of its assets in the Master Fund. Disclosures contained in this Annex will refer to the Master Fund and provide information regarding how the Master Fund seeks to measure, manage and attain the environmental and social characteristics it promotes. Where relevant, disclosure will also be provided directly from the Sub-Fund's perspective and in some cases disclosures will reflect the Sub-Fund's indirect exposures, based on its proportionate allocation to the Master Fund.

The Master Fund Investment Manager promotes environmental and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818. Different factors apply to companies and to governments as the issuer of the instruments.

For example, the following companies are excluded from investment consideration:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

For example, countries are excluded from investment consideration based on the below criteria:

- if the country has not signed certain international treaties on *controversial weapons;*
- if the country fails to meet basic requirements with respect to *human rights and democracy* (assessed among other things based on Freedom House Index, rating of the Reporters Without Boarders Press Freedom, ratification of conventions and treaties in respect of human rights and labour conditions)*;*
- if the country has a high level of *corruption* (assessed among other things based on Transparency International Corruption Perception Index and if a country's military budget exceeds 4% of gross domestic product)*;*
- if the country is subject to sanctions under Art 41 of the UN security council *to eliminate terrorism and weapons proliferation, oppose human rights violations or violations of international treaties, money laundering and deliberate destabilization of sovereign countries and drug trafficking;* or
- if the country is considered a jurisdiction with *strategic AML/CFT deficiencies* by the Financial Action Task Force ("FATF").

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an issuer that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (and therefore promoted as environmental and/or social characteristics by the Master Fund):

- In respect of companies as issuers*: greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.
- In respect of supranational organisations as issuers*: controversial practices, business ethics & product responsibility, environmental principles and action plans, community & human rights.*
- In respect of countries as issuers: *CO2 intensity, biodiversity and resources, corruption and business climate, public spending for education.*

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Master Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Master Fund Investment Manager has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Master Fund will be considered to be attaining the environmental and/or social characteristics it

promotes will be an assessment of whether the Master Fund Investment Manager has successfully and consistently applied its ESG rating system in the process to identify a universe of investable issuers and/or issuers in the investment monitoring process.

- **Sustainable Investments.** The aggregate weight of sustainable investments held by the Master Fund shall be calculated and used to measure the attainment by the Master Fund of the environmental and/or social characteristics it promotes.
- **United Nations Sustainable Development Goals ("UN SDGs").** Sustainable investments of the Master Fund target a combination of environmental and social objectives across the spectrum based on the alignment of such investments with the UN SDGs. Thus, another factor contributing to whether the Master Fund is attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Master Fund has successfully and consistently applied its policy relating to investing in sustainable investments. The Master Fund Investment Manager considers as sustainable investments, which are aligned with SFDR, only instruments which either:
    i. qualify as a Green, Social or Sustainable use of proceeds ("**UOP**") instrument according to the principles of the International Capital Markets Associations ("**ICMA**"), which align with UN SDGs, or
    ii. have a positive net contribution to UN SDGs by virtue of the issuer's net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment) to an environmental or social objective.

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

The Master Fund aims to invest in issuers that positively contribute to the UN SDGs, thus promoting environmental and/or social characteristics through a combination of environmental and social objectives.

An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation related research), climate change mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of the Master Fund Investment Manager's "do no significant harm" ("DNSH") assessment in respect of issuers as well as in respect of projects that are financed through the UOP instruments. A sudden drop due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Master Fund Investment Manager for each of the

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-

mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors in the context of sustainable investments are considered in the following manner:

- Principal adverse impact indicators are captured under the DNSH principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Master Fund Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Master Fund Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Master Fund Investment Manager will seek to exclude the issuer from investment by the Master Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 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.

(1)

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

✖ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Master Fund Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Master Fund Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the

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

adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Master Fund Investment Manager's website and the Master Fund's forthcoming annual report.

☐ No



What investment strategy does this financial product follow?

The Master Fund may invest primarily in a broad range of fixed income securities and instruments listed or traded on Regulated Markets and issued by private or public debtors all over the world. When selecting investments for the Master Fund, the Master Fund Investment Manager promotes environmental and/or social characteristics by; (1) undertaking an ESG analysis of the investment universe as described in this SFDR Annex; and (2) conducts a fundamental analysis of asset classes, currencies and issuers (countries, companies, etc.) referenced in the Master Fund's benchmark to make tactical asset allocations both within and outside of the benchmark.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy.** Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?" The application of the ESG exclusion policy is embedded into the Master Fund's investment selection process and is therefore a binding element.
- **Screening based on ESG Rating.** Following the application of the above exclusions, the Master Fund Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Master Fund Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby issuers with more attractive ESG values are scored more highly than others.

  The ESG rating serves as a main indicator in addition to traditional credit metric to identify risks and opportunities that are not yet factored in the current prices and are expected to impact the spreads negatively.

  In respect of companies and supranationals as issuers, the application of the ESG rating screening process as outlined above is applied to the total universe of such issuers analysed through the Master Fund Investment Manager's proprietary rating tool and the lowest scoring 25% of companies and supranationals analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies and supranationals analysed through the Master Fund Investment Manager's proprietary rating tool may be wider than the target investment universe of the Master Fund, meaning that the actual amount of investments excluded from the Master Fund's scope of investments may effectively be a minimum rate that is lower than 25%. In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies or supranationals as issuers subsequently fall into the lowest scoring 25% issuers available through the Master Fund Investment Manager's proprietary rating tool in terms of their ESG score, the Master Fund Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

  Investors should note that the abovementioned screening and reduction of 25% of lowest scoring companies and supranational issuers does not apply to countries as issuers. The application of the ESG rating exclusion is embedded into the Master Fund's investment selection process and is therefore a binding element.
- **Sustainable Investments.** In order for an investee entity to be considered a sustainable investment, it must be assessed by the Master Fund Investment Manager as meeting the

following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 50% of the assets of the Master Fund will be committed to sustainable investments. This commitment is embedded into the Master Fund's investment selection process and is therefore a binding element.

- **UN SDGs.** The UN SDG alignment of an instrument can be ascertained through positive screening criteria in three ways:

1) **Use of Proceeds.** To invest into a UOP instrument classifying as a sustainable investment of an issuer who has not been removed following the above-described exclusion methods, the Master Fund Investment Manager needs to additionally assess that:

   i. the instrument qualifies as "Green", "Social" or "Sustainable" under the ICMA standards and contributes to a relevant UN SDG. The Master Fund Investment Manager periodically reviews all publicly available UOP frameworks, allocation and assurance reports of every individual UOP instrument and verifies the association to each relevant UN SDG in an internally maintained database. To undertake this analysis the Master Fund Investment Manager may use data provided by external ESG data providers and proprietary models, as well as directly communicating with the issuer; and

   ii. there are no controversies in relation to such instrument. Such controversies may arise from the stated financing goals, type of activity, governance and reporting expectations which are inferior to the current ICMA standard and market practice; and

   iii. according to an independent and market recognized second party opinion the instrument's framework is verified and aligned with the relevant standard and the market practice.

2) **Sovereign Issuer Net UN SDG Impact Score**. When investing in sovereign bonds, the Investment Manager has developed a tiered classification system for considering certain sovereign issuances to be sustainable investments. The approach consists of four tiers, where issuers in tier 1 and 2, which have a positive overall SDG score and at least 85% net positive UN SDG sub-category scores, are considered to meet such consideration. Issuers in tier 3 and 4 are not sustainable investments, but may have environmental and/or social characteristics.

3) **Company or Corporate Issuer's Net UN SDG Impact Score.** When investing in companies or corporate issued instruments which are not UOP, the Master Fund Investment Manager selects companies or issuers with a net positive SDG score, based on the outputs from the ESG rating system.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled Investment Strategy for additional details. As part of such asset management strategy, weight is also given to ESG considerations when evaluating instruments with comparable profiles.

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

There is no committed minimum rate at the level of the Master Fund to reduce the scope of the investments considered prior to the application of the investment strategy.

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

Good governance practices include sounds management structures, employee relations, remuneration of staff and tax

The Master Fund will typically focus on exposure to a broad range of fixed income securities and instruments.

In the context of exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Master Fund Investment Manager, the Master Fund Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to investment.

What is the asset allocation planned for this financial product?

At least 90% of the assets of the Master Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 50% of the assets of the Master Fund will be committed to sustainable investments which are not aligned with the EU Taxonomy (#1A).

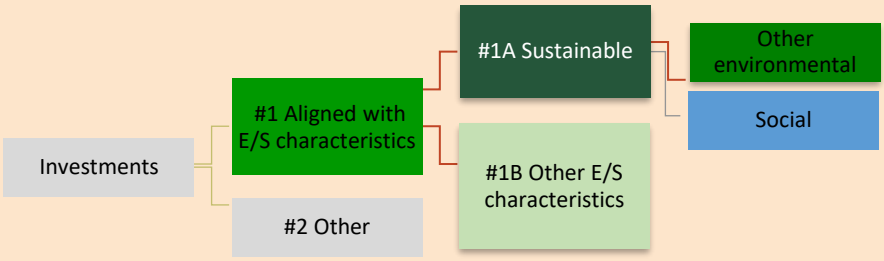
Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.

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 Master Fund used to attain the environmental or social characteristics promoted by the Master Fund.

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

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Master Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Master Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Master Fund attaining the environmental and or social characteristics it promotes.

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

The Master Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply wi the EU Taxonomy?[7]

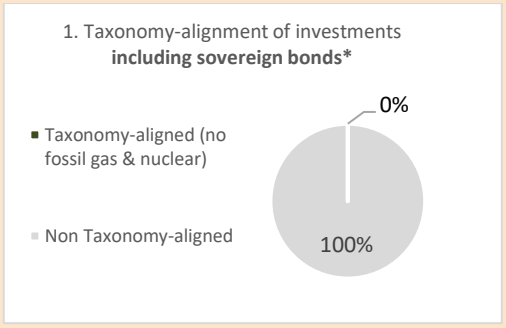
Yes:

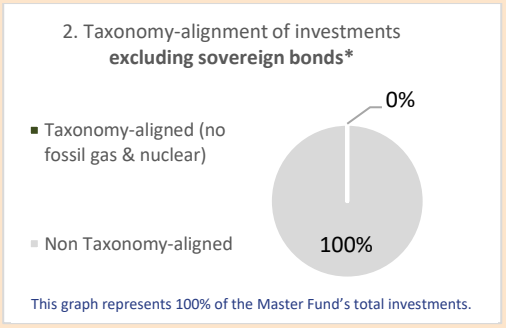
In fossil gas

In nuclear energy

✖ No

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





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

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.

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

The Master Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Master Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

[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. 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.

The sustainable investments of the Master Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the EU Taxonomy will be 50% of the assets of the Master Fund, on the basis that the Master Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy shall be greater than 0% of the assets of the Master Fund.



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 socially sustainable investments?

The sustainable investments of the Master Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Master Fund, on the basis that the Master Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Master Fund.



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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Master Fund Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an issuer. Investors should note that while the Master Fund Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Master Fund Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Master Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Master Fund Investment Manager as contributing towards the environmental or social characteristics promoted by the Master Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Master Fund Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"



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?

Neither the Master Fund nor the Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that they promote.

The Benchmark used by the Master Fund is a mainstream index and does not take account of ESG factors and

is therefore not consistent with the environmental and social characteristics promoted by the Master Fund.



Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Master Fund Investment Manager's website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Sustainable Bond Fund Global Hedged

Sub-Fund Supplement

LGT Sustainable Bond Fund Global Hedged

1 Introduction

This Supplement contains specific information in relation to LGT Sustainable Bond Fund Global Hedged (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium volatility.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Orientated Fund. The UCITS reserves the right to reassess this at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Orientated Fund, this Supplement shall be updated accordingly.

3 General

Base Currency	means US dollars. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Benchmark	means the Bloomberg Barclays Global Aggregate Ex-Securitized Hedged (TR) Index.
Benchmark Administrator	means Bloomberg Index Services Limited.
Business Day	means any day normally treated as a business day in Ireland, Liechtenstein and Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets

	contained in each Sub-Fund (as set out in Annex A) and/or such other places as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Central Bank	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Master Fund.
Dividend policy	means the dividend policy applicable to each Class and set out in Section 8. *Accumulating Classes* In the case of Classes comprised of accumulating Units, the net income and profits (if any) available for distribution will be accumulated and reflected in the Net Asset Value of the Class. *Distributing Classes* In the case of Classes comprised of distributing Units, the Management Company or the UCITS may determine to make an annual cash distribution to the holders of such distributing Classes. No interest will be paid on announced distributions as from the time of their due date. Investors should be aware that the ability of the Sub-Fund to pay any distribution is subject to the liquidity constraints of the Sub-Fund. Distributions may be paid out of any combination of net income and realised and unrealised gains (i.e. net income and realised and unrealised gains net of realised and unrealised losses)) and capital so that where income during the relevant period is less than the amount declared, the balance will be paid out of the capital represented by the relevant shares, which will enable the distributing Classes to distribute regular dividends. Investors should be aware that any distribution paid will reduce the Net Asset Value per Share in respect of distributing Classes. Investors should note that distributions may be declared out of capital and therefore investors should read and consider the sections of the Investment Conditions entitled Important Information and the risk factor 'Capital Erosion Risk'.
Information Sharing Agreement	means the information sharing agreement put in place between the Investment Manager of the Sub-Fund and the Master Fund Investment Manager in order to set out the classes of the Master Fund available for investment by the Sub-Fund. The Investment Manager (or the Management Company, as the case may be) of the Sub-Fund and the Master Fund Investment Manager (or the Master Fund Management Company, as the case may be), have put in place an Information Sharing Agreement (the "Information Sharing Agreement") in relation to the investment by the Sub-Fund in units of the Master Fund. The Information Sharing Agreement sets out which unit classes of the Master Fund are available for investment by the Sub-Fund, details of the charges and expenses to be borne by the Sub-Fund, the standard dealing arrangements and the events affecting dealing arrangements. Further information relating to the Master Fund (including the offering memorandum and articles of association) and the Information Sharing Agreement are available, free of charge, from Master Fund Management Company.
Master Fund	means "LGT Sustainable Bond Global Hedged Sub-Fund", a sub-fund of Crown Sigma UCITS plc, an umbrella open-ended Investment Company with variable capital and segregated liability

	between sub-funds. Crown Sigma UCITS plc has been authorized by the Central Bank of Ireland as a UCITS undertaking
Master Fund Investment Manager	means the investment manager of the Master Fund, LGT Capital Partners Ltd or any successor duly appointed thereto in accordance with the requirements of the Central Bank
Master Fund Management Company	means the management company of the Master Fund, LGT Capital Partners (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth with a medium term investment time horizon who are willing to set aside capital for at least four years, primarily seeking constant returns and who are prepared to accept a medium level of volatility from time to time.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. The Sub-Fund and the Master Fund are subject to a higher level of interest rate risk, which may have negative effects on net assets. Other risks may occur, such as currency risk, issuer risk and also market risk. The use of financial derivatives for purposes other than hedging may give rise to increased risk. As the Sub-Fund will invest at least 85% of its assets in the Master Fund (excluding up to 15% holding of ancillary liquid assets and/or currency hedging instruments) it will not be diversified. It will be the intention to achieve diversification at the Master Fund level, however, the Sub-Fund cannot guarantee or control the Master Fund in this regard. According to its investment restrictions the Sub-Fund must invest at least 85% of its assets in the Master Fund. This requirement must also be fulfilled in the event of a negative performance. The performance of the Sub-Fund may differ from the performance of the Master Fund. This deviation results from the fact that the Sub-Fund does not invest 100% of its assets in the Master Fund, but also has investments in liquid assets. These liquid assets are necessary in order to pay back possible redemptions, other costs, fees and expenses of the Sub-Fund which may be due. In situations where the Sub-Fund enters into currency exchange transactions to hedge against currency fluctuations, it should be noted that such hedging activities may cause both profit and loss, as the case may be, and will impact the net asset value per class. There can be no assurance that currency hedging will be entirely successful.
Termination of the Master Fund	In circumstances where the Master Fund is liquidated, the Sub-Fund shall also be liquidated unless the FMA approves: (i) the investments of at least 85% of the Sub-Fund's net asset value in the units of another master UCITS, or (ii) the amendment of the constitutional documents in order to enable the Sub-Fund to convert into a UCITS which is not a feeder UCITS. In circumstances where the Master Fund merges with another UCITS or is divided into two or more UCITS, the Sub-Fund shall be liquidated unless the FMA grants prior approval to the Sub-Fund to: (i) continue to be a feeder UCITS of the Master Fund or another UCITS resulting from the merger or division of the Master Fund; (ii) invest at least 85% of the Sub-Fund's net asset

	value in the units of another master UCITS not resulting from the merger or division of the Master Fund; or (iii) amend the constitutional documents in order to enable the Sub-Fund to convert into a UCITS which is not a feeder UCITS.

4 Investment management

Investment Objective	The Sub-Fund is a feeder UCITS, which permanently invests at least 85% of its net asset value in the Master Fund. The investment objective of the Sub-Fund is to participate in the performance of the Master Fund. The investment objective of the Master Fund is to generate consistent medium-term capital appreciation, while also contributing to long-term social, economic and environmental well-being, globally. There can be no assurance that the Sub-Fund will achieve its investment objective
Investment Focus	Subject to the investment restrictions specified in Appendix 1 to the prospectus of the Master Fund, the Master Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) primarily in fixed income securities and currencies and to a lesser extent in other securities, as further described below under Permitted Investments & Techniques ("**Target Asset Classes**"). The Master Fund does not pursue a specific sectoral focus.
Permitted Investments & Techniques	The Sub-Fund may invest up to 15% of its net asset value in liquid assets, including deposits with credit institutions (which are either located in an EEA country or in a third country where the supervision rules are equivalent to the EEA), and which are repayable on demand (or have the right to be withdrawn) and will mature in no more than 12 months; and in financial derivative instruments (e.g. options, financial futures and currency forward transactions traded on stock exchanges or on the OTC-market) which may solely be used for hedging purposes. The Master Fund may invest primarily in a broad range of fixed income securities and instruments listed or traded on Regulated Markets and issued by private or public debtors all over the world taking into account the quality and sustainability aspects mentioned below as well as adequate risk diversification, such as bonds, including inter alia inflation-linked or high-yield bonds or Convertible Bonds, Credit Linked Notes, treasuries, floating rate notes and Money Market Instruments (including certificates of deposit and fixed or variable rate commercial paper) and in cash, denominated in such currencies as the Master Fund Investment Manager may determine). The bonds in which the Master Fund may invest can be government and/or corporate bonds and can be fixed and/or floating rate, where appropriate and may be investment grade or below investment grade, as determined by Standard & Poor's Rating Group or any similar recognised ratings agency. The Master Fund may invest up to 10% of its Net Asset Value in aggregate in Convertible Bonds and notes as well as warrant-linked bonds, and also up to 10% of its Net Asset Value in aggregate in shares and other equity securities and instruments as well as warrants. The Master Fund will have exposure to a wide range of foreign currencies.

The Master Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

When selecting investments for the Master Fund, the Master Fund Investment Manager will take into account the ESG analysis, as further described below under Investment Strategy.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

Save where otherwise permitted by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), the Master Fund shall only invest in securities, Money Market Instruments and FDI which are listed or traded on Regulated Markets.

The Master Fund may gain exposure to the Target Asset Classes either:

(a) by direct investment in various underlying securities, such as bonds;

(b) indirectly through the use of FDI; or

(c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Master Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

(a) futures (including interest rate futures, financial futures, currency futures and index futures), options (including non-deliverable currency options);

(b) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps);

(c) forwards (including currency forwards and non-deliverable forwards);

(d) warrants.

Details relating to each of these FDIs are set out in the section of the Master Fund prospectus entitled Investment Objectives, Techniques, Instruments and Strategies.

Subject to the Master Fund's investment restrictions and the UCITS law, the Master Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Master Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the Master Fund Investment Manager's sole judgement, provide the best profit opportunities and are consistent with the Master Fund's investment objective and permitted investments

Investment Strategy

The Master Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that the Master Fund Investment Manager uses the Benchmark to provide a framework for the Sub-Fund's main investable universe, for risk measurement metrics and for performance comparison purposes.

The Benchmark provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. Further information regarding the Benchmark, including the

methodology used for the calculation of the Benchmark, is available on www.bloomberg.com/professional/product/indices/.

A proportion of the Master Fund's portfolio, such proportion to be defined by the Master Fund Investment Manager from time to time, may be components of the Benchmark and the portfolio may have similar weightings to the Benchmark, however, the Master Fund Investment Manager retains full discretion over the composition of the portfolio subject to the investment restrictions specified in the Master Fund prospectus and the Supplement . Accordingly, the Master Fund may, at the Master Fund Investment Manager's discretion, be invested in markets and constituents not referenced in the Benchmark to the extent and within such constraints as the Master Fund Investment Manager determines appropriate.

The Master Fund Investment Manager actively seeks to achieve outperformance of the Benchmark by making active investment decisions in relation to the portfolio's allocation to countries, currencies, duration or credit segmentation (not exhaustive) relative to the Benchmark.

Active Asset Management Strategy

When selecting investments for the Master Fund, the Master Fund Investment Manager (1) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further in Annex 1 to this Supplement; and (2) conducts a fundamental analysis of asset classes, currencies and issuers (countries, companies, etc.) referenced in the Benchmark to make tactical asset allocations both within and outside of the Benchmark.

(a) ESG Analysis

Please refer to Annex I to this Supplement for further details.

(b) Fundamental Analysis

The Master Fund Investment Manager conducts; (1) a top-down assessment of global macroeconomic factors and (2) a bottom-up analysis of individual issuers.

1) The top-down assessment is used to determine the attractiveness of various fixed-income segments, country allocations, yield curve positioning, duration, credit segmentation and currencies. This approach is based on a systematic analysis covering both fundamental analysis (structural and cyclical factors) and market conditions (market information and valuations) for all regions/countries, relevant credit segments and currencies referenced in the Benchmark.

2) The bottom-up approach is used for the selection of the individual securities. In this context, the Master Fund Investment Manager will consider issuer specific characteristics, e.g.: its financial strength, franchise strength, debt-to-GDP levels and projection and liquidity levels.

Benchmark Regulation

The Benchmark Administrator appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulations.

The Master Fund Management Company has put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that the Benchmark materially changes or ceases to be provided. These written plans detail the steps the Master Fund Management Company will take to nominate a suitable alternative Benchmark. A copy of the Master Fund Management Company's policy on cessation or material change to a benchmark is available upon request from the Master Fund Management Company.

Collective Investment Schemes	The Master Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes. The Master Fund may invest in other Sub-Funds of the Company in accordance with the requirements of the Central Bank.
Total Return Swaps	Through its investment in the Master Fund, the Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund shall not enter into repurchase agreements and reverse repurchase agreements.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Master Fund Investment Manager expects to generally enter into transactions to secure the Master Fund's portfolio against currency exchange rate fluctuations through the use of FDI. See the section of the prospectus of the Master Fund titled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favourably or un-favourably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Investment Manager utilises a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the commitment approach.
Leverage	The Sub-Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means any Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS or the Management Company.
Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.

Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify to the Unitholders in advance, and the end of the Accounting Year.
Valuation Point	means 23.59 Irish time on the relevant Valuation Day.
Dilution Adjustments	None.

7 Fees & expenses

Establishment and Operational Fees and Expenses	Establishment expenses associated with the Sub-Fund have been fully amortised. The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Anti-Dilution Levy	The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 2% of the Net Asset Value per Unit.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly. This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below. *Fees of the Management Company* The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) B	LI0015327872	USD	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.18%	0.90%	Permitted	1,623.47	01.04.2003
(CHF) B	LI0148577955	CHF	Yes								1,000	09.05.2012
(EUR) B	LI0148577948	EUR	Yes									09.05.2012
(GBP) B	LI0148577963	GBP	Yes									26.08.2016
(USD) A	LI0148577930	USD	No	Distributing								[ ]

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) I1	LI0021089292	USD	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.14%	0.45%	Permitted	1,000	[ ]
(CHF) I1	LI0148577989	CHF	Yes									

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(CHF) C	LI0247154623	CHF	Yes	Accumulating	1 Unit	0.001 Unit	1 Unit	0.18%	0.55%	Not permitted	1,000	07.11.2014

1 Denominated in Class Currency.

These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:
- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

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.** The 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.

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

SFDR Annex

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: LGT Funds SICAV – LGT Sustainable Bond Fund Global Hedged

Legal entity identifier: 549300BGRNAXWDDWQY74

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 50% 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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 (a) achieves its financial objectives; and (b) promotes its environmental and social characteristics, indirectly via the investment of substantially all of its assets in the Master Fund. Disclosures contained in this Annex will refer to the Master Fund and provide information regarding how the Master Fund seeks to measure, manage and attain the environmental and social characteristics it promotes. Where relevant, disclosure will also be provided directly from the Sub-Fund's perspective and in some cases disclosures will reflect the Sub-Fund's indirect exposures, based on its proportionate allocation to the Master Fund

The Master Fund Investment Manager promotes environmental and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818. Different

factors apply to companies and to governments as the issuer of the instruments.

For example, the following companies are excluded from investment consideration:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

For example, countries are excluded from investment consideration based on the below criteria:

- if the country has not signed certain international treaties on *controversial weapons;*
- if the country fails to meet basic requirements with respect to *human rights and democracy* (assessed among other things based on Freedom House Index, rating of the Reporters Without Boarders Press Freedom, ratification of conventions and treaties in respect of human rights and labour conditions)*;*
- if the country has a high level of *corruption* (assessed among other things based on Transparency International Corruption Perception Index and if a country's military budget exceeds 4% of gross domestic product)*;*
- if the country is subject to sanctions under Art 41 of the UN security council *to eliminate terrorism and weapons proliferation, oppose human rights violations or violations of international treaties, money laundering and deliberate destabilization of sovereign countries and drug trafficking;* or
- if the country is considered a jurisdiction with *strategic AML/CFT deficiencies* by the Financial Action Task Force ("FATF").

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an issuer that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable issuers through a systematic process which relies on information from underlying issuers (and therefore promoted as environmental and/or social characteristics by the Master Fund):

- In respect of companies as issuers*: greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.
- In respect of supranational organisations as issuers*: controversial practices, business ethics & product responsibility, environmental principles and action plans, community & human rights.*
- In respect of countries as issuers: *CO2 intensity, biodiversity and resources, corruption and business climate, public spending for education.*

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Master Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Master Fund has successfully and consistently executed

its ESG exclusion policy.

- **Screening based on ESG Rating**. Another factor contributing to whether the Master Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Master Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable issuers and/or issuers in the investment monitoring process.
- **Sustainable Investments.** The aggregate weight of sustainable investments held by the Master Fund shall be calculated and used to measure the attainment by the Master Fund of the environmental and/or social characteristics it promotes.
- **United Nations Sustainable Development Goals ("UN SDGs")**. Sustainable investments of the Master Fund target a combination of environmental and social objectives across the spectrum based on the alignment of such investments with the UN SDGs. Thus, another factor contributing to whether the Master Fund is attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Master Fund has successfully and consistently applied its policy relating to investing in sustainable investments. The Master Fund Investment Manager considers as sustainable investments, which are aligned with SFDR, only instruments which either:
  i. qualify as a Green, Social or Sustainable use of proceeds ("**UOP**") instrument according to the principles of the International Capital Markets Associations ("**ICMA**"), which align with UN SDGs, or
  ii. have a positive net contribution to UN SDGs by virtue of the issuer's net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment) to an environmental or social objective.

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

The Master Fund aims to invest in issuers that positively contribute to the UN SDGs, thus promoting environmental and/or social characteristics through a combination of environmental and social objectives.

An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation related research), climate change mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of the Master Fund Investment Manager's "do no significant harm" ("DNSH") assessment in respect of issuers as well as in respect of projects that are financed through the UOP instruments. A sudden drop due to an ESG controversy will generally lead to an alert to be triggered

Principal adverse impacts are the most significant negative impacts of investment decisions on

so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Master Fund Investment Manager for each of the mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors in the context of sustainable investments are considered in the following manner:

- Principal adverse impact indicators are captured under the DNSH principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Master Fund Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Master Fund Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Master Fund Investment Manager will seek to exclude the issuer from investment by the Master Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 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.

(8)



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

☒ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Master Fund Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Master Fund Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Master Fund Investment Manager's website and the Master Fund's forthcoming annual report.

☐ 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 Master Fund may invest primarily in a broad range of fixed income securities and instruments listed or traded on Regulated Markets and issued by private or public debtors all over the world. When selecting investments for the Master Fund, the Master Fund Investment Manager promotes environmental and/or social characteristics by; (1) undertaking an ESG analysis of the investment universe as described further in this SFDR Annex.; and (2) conducts a fundamental analysis of asset classes, currencies and issuers (countries, companies, etc.) referenced in the Master Fund's benchmark to make tactical asset allocations both within and outside of the Master Fund's benchmark.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy**. Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?" The application of the ESG exclusion policy is embedded into the Master Fund's investment selection process and is therefore a binding element.
- **Screening based on ESG Rating.** Following the application of the above exclusions, the Master Fund Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Master Fund Investment Manager has developed a proprietary ESG rating system based on external data providers and sources that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby issuers with more attractive ESG values are scored more highly than others.

  The ESG rating serves as a main indicator in addition to traditional credit metric to identify risks and opportunities that are not yet factored in the current prices and are expected to impact the spreads negatively.

  In respect of companies and supranationals as issuers, the application of the ESG rating screening process as outlined above is applied to the total universe of such issuers analysed through the Master Fund Investment Manager's proprietary rating tool and the lowest scoring 25% of companies and supranationals analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies and supranationals analysed through the Master Fund Investment Manager's proprietary rating tool may be wider than the target investment universe of the Master Fund, meaning that the actual amount of investments excluded from the Master Fund's scope of investments may effectively be a minimum rate that is lower than 25%. In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies or supranationals as issuers subsequently fall into the lowest scoring 25% issuers available

through the Master Fund Investment Manager's proprietary rating tool in terms of their ESG score, the Master Fund Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

Investors should note that the abovementioned screening and reduction of 25% of lowest scoring companies and supranational issuers does not apply to countries as issuers. The application of the ESG rating exclusion is embedded into the Master Fund's investment selection process and is therefore a binding element.

- **Sustainable Investments.** In order for an investee entity to be considered a sustainable investment, it must be assessed by the Master Fund Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 50% of the assets of the Master Fund will be committed to sustainable investments. This commitment is embedded into the Master Fund's investment selection process and is therefore a binding element.

- **UN SDGs.** The UN SDG alignment of an instrument can be ascertained through positive screening criteria in three ways:

  1) **Use of Proceeds**. To invest into a UOP instrument classifying as a sustainable investment of an issuer who has not been removed following the above-described exclusion methods, the Master Fund Investment Manager needs to additionally assess that:

  i. the instrument qualifies as "Green", "Social" or "Sustainable" under the ICMA standards and contributes to a relevant UN SDG. The Master Fund Investment Manager periodically reviews all publicly available UOP frameworks, allocation and assurance reports of every individual UOP instrument and verifies the association to each relevant UN SDG in an internally maintained database. To undertake this analysis the Master Fund Investment Manager may use data provided by external ESG data providers and proprietary models, as well as directly communicating with the issuer; and

  ii. there are no controversies in relation to such instrument. Such controversies may arise from the stated financing goals, type of activity, governance and reporting expectations which are inferior to the current ICMA standard and market practice; and

  iii. according to an independent and market recognized second party opinion the instrument's framework is verified and aligned with the relevant standard and the market practice.

  2) **Sovereign Issuer Net UN SDG Impact Score**. When investing in sovereign bonds, the Investment Manager has developed a tiered classification system for considering certain sovereign issuances to be sustainable investments. The approach consists of four tiers, where issuers in tier 1 and 2, which have a positive overall SDG score and at least 85% net positive UN SDG sub-category scores, are considered to meet such consideration. Issuers in tier 3 and 4 are not sustainable investments, but may have environmental and/or social characteristics.

  3) **Company or Corporate Issuer's Net UN SDG Impact Score.** When investing in companies or corporate issued instruments which are not UOP, the Master Fund Investment Manager selects companies or issuers with a net positive SDG score, based on the outputs from the ESG rating system.

Following the above steps, investments are selected on the basis of the general active asset management strategy, as outlined in the section of the Supplement entitled Investment Strategy for additional details. As part of such asset management strategy, weight is also given to ESG considerations when evaluating instruments with comparable profiles.

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

There is no committed minimum rate at the level of the Master Fund to reduce the scope of the investments considered prior to the application of the investment strategy.

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

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

The Master Fund will typically focus on exposure to a broad range of fixed income securities and instruments.

In the context of exposure to corporate issuers, in order to ensure that such issuers follow good governance practices, as reasonably determined by the Master Fund Investment Manager, the Master Fund Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to investment.

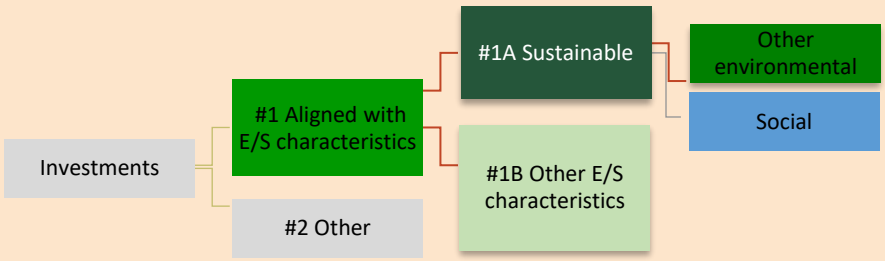
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

At least 90% of the assets of the Master Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 50% of the assets of the Master Fund will be committed to sustainable investments which are not aligned with the EU Taxonomy (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.



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

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

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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.

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

The Master Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Master Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Master Fund attaining the environmental and or social characteristics it promotes.

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

The Master Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

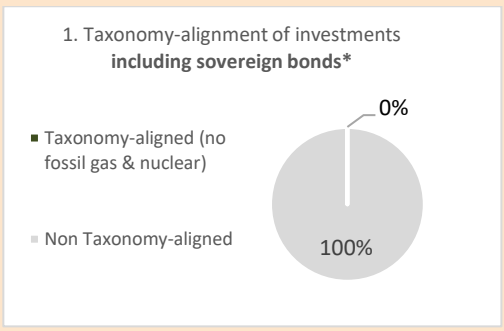
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply wi the EU Taxonomy?[8]

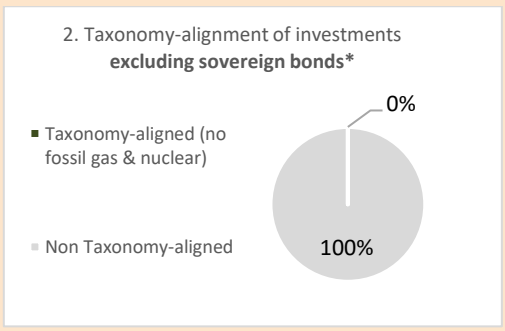
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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





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

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.

[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. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

The Master Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Master Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

The sustainable investments of the Master Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the EU Taxonomy will be 50% of the assets of the Master Fund, on the basis that the Master Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy shall be greater than 0% of the assets of the Master Fund.

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 socially sustainable investments?

The sustainable investments of the Master Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Master Fund, on the basis that the Master Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Master Fund.

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

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

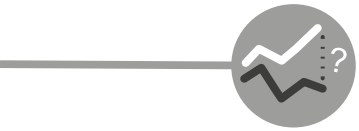
- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Master Fund Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an issuer. Investors should note that while the Master Fund Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted.

Additionally, to the extent possible and / or where any investments in "Other" form a portion of the strategic asset allocation, the Master Fund Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Master Fund in order to continually consider and review such investments.

In instances where the rating sufficiently improves, such investments may be deemed by the Master Fund Investment Manager as contributing towards the environmental or social characteristics promoted by the Master Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Master Fund Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"



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?

The Master Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

The Benchmark used by the Master Fund is a mainstream index and does not take account of ESG factors and is therefore not consistent with the environmental and social characteristics promoted by the Master Fund.

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?

You may find more information on www.fundinfo.com and the Master Fund Investment Manager's website: www.lgtcp.com/en/regulatory-information.



LGT CAPITAL PARTNERS

lgtcp.com

LGT Sustainable Equity Fund Europe

Sub-Fund Supplement

LGT Sustainable Equity Fund Europe

1 Introduction

This Supplement contains specific information in relation to LGT Sustainable Equity Fund Europe (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium to high volatility due to investments in FDIs.

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Orientated Fund. The UCITS reserves the right to reassess this at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Orientated Fund, this Supplement shall be updated accordingly.

3 General

Base Currency	means Euro. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Benchmark	means the MSCI Europe (NR) Index.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-Fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Dividend policy	The Management Company does not currently intend to make any dividend payments in respect any of the Classes of the Sub-Fund.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth with a long term investment time horizon who are willing to set aside capital for at least seven years, primarily

	seeking constant returns and who are prepared to accept a moderate to high level of volatility from time to time.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund.

4 Investment management

Investment Objective	The Investment Objective is to generate consistent medium-term capital appreciation, while also contributing to long-term social, economic and environmental well-being, globally. There can be no assurance that the Sub-Fund will achieve its investment objective.
Investment Focus	Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) primarily in equity securities and currencies and to a lesser extent in other securities, as further described below under Permitted Investments & Techniques ("**Target Asset Classes**"). The Sub- Fund does not pursue a specific sectoral focus.
Permitted Investments & Techniques	The Sub-Fund may invest primarily in a broad range of equity securities and instruments (such as shares, participatory certificates and profit-sharing certificates) listed or traded on Regulated Markets. Such securities and instruments will be either (i) issued by companies with their registered office in, or operating most of their business activities in, a European country, or (ii) holding companies that primarily hold participations in companies with registered offices in European countries The Sub-Fund may invest up to 10% of its assets (excluding cash and Cash Equivalents) in fixed income securities worldwide. Such fixed income securities can be denominated in any currency. The Sub-Fund will have exposure to a wide range of foreign currencies. The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure. It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis. Save where otherwise permitted by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), the Sub-Fund shall only invest in securities and FDI which are listed or traded on Regulated Markets. The Sub-Fund may gain exposure to the Target Asset Classes either:

(a) by direct investment in various underlying securities, such as equities;

(b) indirectly through the use of FDI; or

(c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Sub-Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

(a) futures and options;

(b) swaps (including credit default swaps, interest rate swaps, exchange rate swaps and cross currency swaps); and

(c) forwards.

Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies.

The Sub-Fund qualifies as an Equity Fund for the purposes of the German Investment Tax Act and consequently shall, in accordance with the investment restrictions in the Investment Conditions and this Supplement, invest on a continuous basis at least 51% of its Net Asset Value in equity participations as described in the Investment Conditions under the heading titled "Additional Investment Provisions – German Investment Tax Act".

Investment Strategy

The Sub-Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that it seeks to outperform the Benchmark. However, the Benchmark is not used to define the portfolio composition of the Sub-Fund and the Sub-Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark represents the performance of large and mid-cap equities across a number of developed countries in Europe. Further information regarding the Benchmark, including the methodology used for the calculation of the Benchmark, is available on www.msci.com/index-methodology.

The Investment Manager actively seeks to achieve outperformance of the Benchmark by making active investment decisions in relation to the portfolio's allocation to equity securities.

Active Asset Management Strategy

When selecting investments for the Sub-Fund, the Investment Manager (a) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further in Annex I to this Supplement; (b) conducts a quantitative fundamental analysis of instruments; and (c) conducts a qualitative analysis of fundamental and sustainability factors to make security selections both within and outside of the Benchmark.

(a) ESG Analysis

Please refer to Annex I to this Supplement for further details.

(b) Quantitative Fundamental Analysis

The Investment Manager conducts a quantitative bottom-up fundamental analysis of individual stocks which is used for the selection of the individual securities. In this context, the Investment Manager will consider company specific characteristics, e.g. financial strength, franchise strength, debt and liquidity levels and ability to generate free cash flow. With this fundamental screening methodology it is possible to compare companies from different sectors and regions.

	(c) Qualitative Analysis Qualitative screening is carried out in respect of (i) fundamental and (ii) sustainability factors. For this purpose, companies are analysed in detail on a qualitative basis. Fundamental qualitative analysis may include analysis of industry trends, company value drivers, valuation, etc. Further, the companies are checked for sustainability on a qualitative basis. Such checks include checks for controversies, screens for reputational risks, etc.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund shall not enter into repurchase agreements and reverse repurchase agreements.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally not enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI but may decide to do so from time to time on an opportunistic basis. See the section of the Investment Conditions titled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favourably or un-favourably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Investment Manager utilises a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the commitment approach.
Leverage	The Sub-Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means any Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS or the Management Company.
Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.

Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23.59 CET on the relevant Valuation Day.
Dilution Adjustments	None.

7 Fees & expenses

Establishment and Operational Fees and Expenses	Establishment expenses associated with the Sub-Fund have been fully amortised. The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.

Anti-Dilution Levy	The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 2% of the Net Asset Value per Unit.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly. This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below. *Fees of the Management Company* The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS. *Fees of the Depositary and Administrator* The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund. The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates. The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) B	LI0015327906	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.18%	1.50%	Permitted	413.06	30.09.2000

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) C	LI0247156099	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.18%	0.80%	Not permitted	1,000	26.06.2014

Unit Classes open only to specific groups of investors§:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) IM	LI0134097059	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.14%	0.25%	Permitted	1,000	01.04.2014

[1] Denominated in Class Currency.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

§ These Classes shall only be open for persons or entities, who at the time of the subscription, belong to one of the following groups:

- directors of any company of LGT Group;
- employees (including part-time employees) with a permanent employment contract of any company of LGT Group;
- recipients of retirement and disability pensions from LGT Group, however, pension recipients with external membership according to the regulations of the staff benefits foundation are excluded;
- widows and widowers of former employees or pension recipients of LGT Group, however, widows and widowers of former employees or pension recipients with external membership according to the regulation of the staff benefits foundation are excluded;
- children of employees as well as children of retired or deceased employees of any company of LGT Group until the completion of their 18th year and if the children are not included in any group above;
- any other persons who are entitled to employee concessions of any company of LGT Group; or
- clients of LGT Group companies that have entered into a respective cooperation, advisory or discretionary management agreement.

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.** The 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.

SFDR Annex

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: LGT Funds SICAV – LGT Sustainable Equity Fund Europe

Legal entity identifier: 549300XS083Y2IY78X74

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ **Yes**
- ☒ **No**

- ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ It **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 50% 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 will make a minimum of **sustainable investments 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 and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, namely:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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;

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

- 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

ESG Rating: The following are key performance indicators on ESG factors related to an investee company that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable companies through a systematic process which relies on information from underlying companies (and therefore promoted as environmental and/or social characteristics by the Sub-Fund):

- *greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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

- **ESG Exclusion Policy**. The first factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable companies and in the investment monitoring process.
- **Sustainable Investments.** The aggregate weight of all sustainable investments held by the Sub-Fund shall be calculated and used to measure the attainment by the Sub-Fund of the environmental and/or social characteristics it promotes.
- **United Nations Sustainable Development Goals ("UN SDGs").**

  In terms of considering whether investments of the Sub-Fund which are eligible for selection may be categorised as sustainable investments which are aligned with SFDR, another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its policy relating to investing in sustainable investments , i.e. in the context of the proportion of the Sub-Fund in sustainable investments only including investments with a positive net contribution to the UN SDGs by virtue of a net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment), to an environmental or social objective.

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

The sustainable investments of the Sub- Fund will target a combination of environmental and social objectives across the spectrum, as per below, based on alignment of such investments with the UN SDGs.

An investment with an environmental objective aligned with SFDR is one which is 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.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, a requirement for sustainable investments is the positive net contribution to UN SDGs, which cover a broad set of ESG activities.

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of LGT's "do no significant harm" assessment. A sudden drop in the ESG rating of a particular company due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Investment Manager for each of the mandatory PAI indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors are considered in the following manner:

- Principal adverse impact indicators are captured under the "do no significant harm" principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Investment Manager will seek to exclude the investee company from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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



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

✖ Yes

Yes, principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Investment Manager's website and the Sub- Fund's forthcoming annual report relating to the UCITS.

☐ 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.

To achieve the investment objective, the Investment Manager may invest (either directly or indirectly) primarily in a broad range of equity securities and instruments. Such securities and instruments will be either (i) issued by companies with their registered office in, or operating most of their business activities in, a European country, or (ii) holding companies that primarily hold participations in companies with registered offices in European countries.

When selecting investments for the Sub-Fund, the Investment Manager (a) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further in this SFDR Annex; (b) conducts a quantitative fundamental analysis of instruments; and (c) conducts a qualitative analysis of fundamental and sustainability factors to make security selections both within and outside of the Benchmark. Please refer to Section 4 of this Supplement titled "Investment Strategy" for further details in this regard.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy:** Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?". The application of the ESG exclusion policy is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **Screening based on ESG Rating**: Following the application of the above exclusions, the Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Investment Manager has developed a proprietary ESG rating system based on external data providers that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby companies within the investment universe with more attractive ESG values are scored more highly than others. The ESG rating is utilised to remove the lowest scoring companies available through the Investment Manager's proprietary rating tool according to the policy disclosed under *"What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*". The application of the ESG rating exclusion is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **Sustainable Investments**: In order for an investee entity to be considered a sustainable investment, it must be assessed by the Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 50% of the assets of the Sub-Fund will be committed to sustainable investments. This commitment is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **UN SDGs.** In respect of sustainable investments, the Investment Manager selects investee entities with a net positive SDG score, based on the outputs from the ESG rating system.
- Following the above steps, investments are selected on the basis of the general active asset management strategy, including further qualitative consideration of both ESG characteristics and non-ESG characteristics, as outlined in the section of the Supplement entitled "Investment Strategy".

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

After the ESG exclusion policy has been applied, the application of the ESG rating screening process as outlined above is applied to the total universe of companies analysed through the Investment Manager's proprietary rating tool and the lowest scoring 25% of companies analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies analysed through the Investment Manager's proprietary rating tool may be wider than the target investment universe of the Sub-Fund, meaning that the actual amount of investments excluded from the Sub-Fund's scope of investments may effectively be a minimum rate that is lower than 25%.

In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies subsequently fall into the lowest scoring 25% of companies available through the Investment Manager's proprietary rating tool in terms of their ESG score, Investment Manager commits to divesting or disposing of such positions according to its internal guidelines and acting in the best interests of Unitholders.

The Investment Manager maintains full discretion of adjustments to the ESG rating tool's data composition and investors should note that the Investment Manager may rely on third-party ESG data or research providers to produce any ESG-related analysis. Such data or research may be imprecise, incorrect, or unavailable and the resulting analysis or use of such data by the Investment Manager for the purpose of reducing the scope of investments on ESG grounds may be impacted.

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

Good governance practices include sounds management structures, employee relations, remuneration of

In order to ensure that companies that the Sub-Fund invests in follow good governance practices, as reasonably determined by the Investment Manager, the Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, compensation policy, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to investment.

The Investment Manager also applies an active ownership policy, which applies a high priority to ESG.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

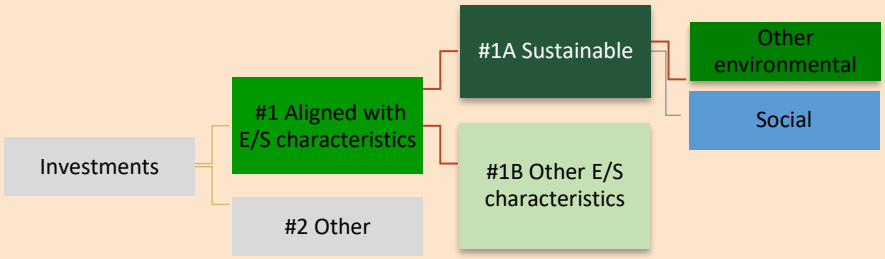
At least 90% of the assets of the Sub-Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 50% of the assets of the Sub-Fund will be committed to sustainable investments (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.

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 Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Sub-Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics they promote. Rather, the Sub-Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate

to the Sub-Fund attaining the environmental and or social characteristics they promote.

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

The Sub-Fund does not aim to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

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

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

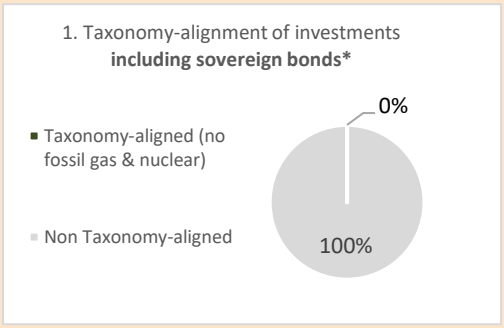
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[9]

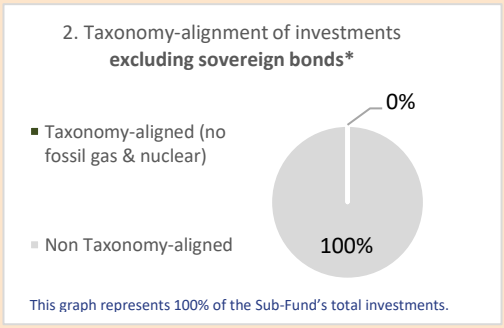
☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

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





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

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

[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. 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.

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Sub-Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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

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

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.

What is the minimum share of socially sustainable investments?

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.

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

Investments under “#2 Other” are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an investee company of the Sub-Fund. Investors should note that, while the Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted on this basis.

Additionally, to the extent possible and / or where any investments in “Other” form a portion of the strategic asset allocation, the Investment Manager’s proprietary ESG rating is applied to the investments making up the ’Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"

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?

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that they promote.

The Benchmark used by the Sub-Fund is a mainstream index and does not take account of ESG factors and is therefore not consistent with the environmental and social characteristics promoted by the Sub-Fund.



Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Investment Manager's website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Sustainable Equity Fund Global

Sub-Fund Supplement

LGT Sustainable Equity Fund Global

1 Introduction

This Supplement contains specific information in relation to LGT Sustainable Equity Fund Global (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium to high volatility due to investments in FDIs.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

For SFDR purposes, the UCITS considers that the Sub-Fund meets the criteria of an ESG Orientated Fund. The UCITS reserves the right to reassess this at any time. If the UCITS determines at any future point that the Sub-Fund does not meet the criteria to qualify as an ESG Orientated Fund, this Supplement shall be updated accordingly.

3 General

Base Currency	means Euro. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Benchmark	means the MSCI World (NR) Index.
Business Day	means any day normally treated as a business day in Ireland, Liechtenstein and Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in each Sub-Fund (as set out in the Supplement) and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.

Central Bank	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Master Fund.
Dividend policy	means the dividend policy applicable to each Class and set out in Section 8. *Accumulating Classes* In the case of Classes comprised of accumulating Units, the net income and profits (if any) available for distribution will be accumulated and reflected in the Net Asset Value of the Class. *Distributing Classes* In the case of Classes comprised of distributing Units, the Management Company or the UCITS may determine to make an annual cash distribution to the holders of such distributing Classes. No interest will be paid on announced distributions as from the time of their due date. Investors should be aware that the ability of the Sub-Fund to pay any distribution is subject to the liquidity constraints of the Sub-Fund. Distributions may be paid out of any combination of net income and realised and unrealised gains (i.e. net income and realised and unrealised gains net of realised and unrealised losses)) and capital so that where income during the relevant period is less than the amount declared, the balance will be paid out of the capital represented by the relevant shares, which will enable the distributing Classes to distribute regular dividends. Investors should be aware that any distribution paid will reduce the Net Asset Value per Share in respect of distributing Classes. Investors should note that distributions may be declared out of capital and therefore investors should read and consider the sections of the Prospectus titled Important Information and the risk factor 'Capital Erosion Risk'.
Information Sharing Agreement	means the information sharing agreement put in place between the Investment Manager of the Sub-Fund and the Master Fund Investment Manager in order to set out the classes of the Master Fund available for investment by the Sub-Fund. The Investment Manager (or the Management Company, as the case may be) of the Sub-Fund and the Master Fund Investment Manager (or the Master Fund Management Company, as the case may be), have put in place an Information Sharing Agreement (the "**Information Sharing Agreement**") in relation to the investment by the Sub-Fund in units of the Master Fund. The Information Sharing Agreement sets out which unit classes of the Master Fund are available for investment by the Sub-Fund, details of the charges and expenses to be borne by the Sub-Fund, the standard dealing arrangements and the events affecting dealing arrangements. Further information relating to the Master Fund (including the offering memorandum and articles of association) and the Information Sharing Agreement are available, free of charge, from the Master Fund Management Company.
Master Fund	means "LGT Sustainable Equity Global Sub-Fund", a sub-fund of Crown Sigma UCITS plc, an umbrella open-ended Investment Company with variable capital and segregated liability between sub-funds. Crown Sigma UCITS plc has been authorized by the Central Bank of Ireland as a UCITS undertaking

Master Fund Investment Manager	means the investment manager of the Master Fund, LGT Capital Partners Ltd or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Master Fund Management Company	means the management company of the Master Fund, LGT Capital Partners (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland or any successor duly appointed thereto in accordance with the requirements of the Central Bank.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth with a long term investment time horizon who are willing to set aside capital for at least seven years, primarily seeking constant returns and who are prepared to accept a moderate to high level of volatility from time to time.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. The Sub-Fund and the Master Fund are subject to a higher level of interest rate risk, which may have negative effects on net assets. Other risks may occur, such as currency risk, issuer risk and also market risk. The use of financial derivatives for purposes other than hedging may give rise to increased risk. As the Sub-Fund will invest at least 85% of its assets in the Master Fund (excluding up to 15% holding of ancillary liquid assets and/or currency hedging instruments) it will not be diversified. It will be the intention to achieve diversification at the Master Fund level, however, the Sub-Fund cannot guarantee or control the Master Fund in this regard. According to its investment restrictions the Sub-Fund must invest at least 85% of its assets in the Master Fund. This requirement must also be fulfilled in the event of a negative performance. The performance of the Sub-Fund may differ from the performance of the Master Fund. This deviation results from the fact that the Sub-Fund does not invest 100% of its assets in the Master Fund, but also has investments in liquid assets. These liquid assets are necessary in order to pay back possible redemptions, other costs, fees and expenses of the Sub-Fund which may be due. In situations where the Sub-Fund enters into currency exchange transactions to hedge against currency fluctuations, it should be noted that such hedging activities may cause both profit and loss, as the case may be, and will impact the net asset value per class. There can be no assurance that currency hedging will be entirely successful.

4 Investment management

Investment Objective

The Sub-Fund is a feeder UCITS, which permanently invests at least 85% of its net asset value in the Master Fund. The investment objective of the Sub-Fund is to participate in the performance of the Master Fund. The investment objective of the Master Fund is to generate consistent long-term capital appreciation, while also contributing to long-term social, economic and environmental well-being, globally.

There is no guarantee that the investment objective of the Sub-Fund will be achieved, and investment results may vary substantially over time.

Investment Focus

Subject to the investment restrictions specified in Appendix 1 to the prospectus of the Master Fund, the Master Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) primarily in equity securities and currencies and to a lesser extent in other securities, as further described below under Permitted Investments & Techniques ("**Target Asset Classes**").

The Master Fund does not pursue a specific sectoral focus.

Permitted Investments & Techniques

The Sub-Fund may invest up to 15% of its net asset value in liquid assets, including deposits with credit institutions (which are either located in an EEA country or in a third country where the supervision rules are equivalent to the EEA), and which are repayable on demand (or have the right to be withdrawn) and will mature in no more than 12 months; and in financial derivative instruments (e.g. options, financial futures and currency forward transactions traded on stock exchanges or on the OTC-market) which may solely be used for hedging purposes.

The Master Fund may invest primarily in a broad range of equity securities and instruments (such as shares, participatory certificates and profit-sharing certificates) listed or traded on Regulated Markets.

The Sub-Fund qualifies as an Equity Fund for the purposes of the German Investment Tax Act and consequently shall, in accordance with the investment restrictions in the Investment Conditions and this Supplement, invest on a continuous basis at least 51% of its Net Asset Value in equity participations as described in the Investment Conditions under the heading titled "Additional Investment Provisions – German Investment Tax Act".

The Master Fund may invest directly in China A shares listed on the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connect scheme, or the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect scheme (together, the "Stock Connect Scheme"). Please refer to the sections of the Prospectus entitled "Investment Objectives, Techniques, Instruments and Strategies; Investment in China" and "Risk Factors; Investments in China" for further details.

The Master Fund may invest up to 10% of its assets (excluding cash and Cash Equivalents) in fixed income securities worldwide. Such fixed income securities can be denominated in any currency.

The Master Fund will have exposure to a wide range of foreign currencies.

The Master Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

Save where otherwise permitted by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), the Master Fund shall only invest in securities and FDI which are listed or traded on Regulated Markets.

The Master Fund may gain exposure to the Target Asset Classes either:

(a) by direct investment in various underlying securities, such as equities;

(b) indirectly through the use of FDI; or

(c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes.

The Master Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

(a) futures and options;

(b) swaps (including credit default swaps, interest rate swaps, exchange rate swaps and cross currency swaps); and

(c) forwards.

Details relating to each of these FDIs are set out in the section of the Crown Sigma UCITS plc prospectus entitled Investment Objectives, Techniques, Instruments and Strategies.

Subject to the Master Fund's investment restrictions and the UCITS law, the Master Fund is not restricted as to the percentage of assets which may be invested in any particular industry, instrument, market or strategy. In attempting to maximize the returns, the Master Fund may concentrate holdings in certain industries, instruments, markets or strategies, which in the Master Fund Investment Manager's sole judgement, provide the best profit opportunities and are consistent with the Master Fund's investment objective and permitted investments

Investment Strategy

The Master Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that it seeks to outperform the Benchmark. However, the Benchmark is not used to define the portfolio composition of the Master Fund and the Master Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is a broad global equity index that represents large and mid-cap equity performance across a number of developed market countries. Further information regarding the Benchmark, including the methodology used for the calculation of the Benchmark, is available on www.msci.com/index-methodology.

The Master Fund Investment Manager actively seeks to achieve outperformance of the Benchmark by making active investment decisions in relation to the portfolio's allocation to equity securities.

Active Asset Management Strategy

When selecting investments for the Master Fund, the Master Fund Investment Manager (a) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further in Annex I to this Supplement; (b) conducts a quantitative fundamental analysis of instruments; and (c) conducts a qualitative analysis of fundamental and sustainability factors to make security selections both within and outside of the Benchmark.

	(a) ESG Analysis Please refer to Annex I to this Supplement for further details. (b) Quantitative Fundamental Analysis The Master Fund Investment Manager conducts a quantitative bottom-up fundamental analysis of individual stocks which is used for the selection of the individual securities. In this context, the Master Fund Investment Manager will consider company specific characteristics, e.g. financial strength, franchise strength, debt and liquidity levels and ability to generate free cash flow. With this fundamental screening methodology it is possible to compare companies from different sectors and regions. (c) Qualitative Analysis Qualitative screening is carried out in respect of (i) fundamental and (ii) sustainability factors. For this purpose, companies are analysed in detail on a qualitative basis. Fundamental qualitative analysis may include analysis of industry trends, company value drivers, valuation, etc. Further, the companies are checked for sustainability on a qualitative basis. Such checks include checks for controversies, screens for reputational risks, etc.
Collective Investment Schemes	The Master Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes. The Master Fund may invest in other sub-funds of the Crown Sigma UCITS plc in accordance with the requirements of the Central Bank.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund shall not enter into repurchase agreements and reverse repurchase agreements.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Master Fund Investment Manager expects to generally not enter into transactions to secure the Master Fund's portfolio against currency exchange rate fluctuations through the use of FDI but may decide to do so from time to time on an opportunistic basis. See the section of the prospectus of the Master Fund titled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated.

	There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favourably or un-favourably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.

5 Risk management, leverage & borrowing

General	The Investment Manager utilises a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the commitment approach.
Leverage	The Sub-Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means any Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight.
Dealing Deadline	means with respect to each Valuation Day, 2pm CET on the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS or the Management Company.

Investor Eligibility	Means particular investor eligibility requirements in respect each Class (if any) that are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Dealing Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Dealing Deadline shall be automatically treated as having been received for the next available Dealing Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23.59 Irish time on the relevant Valuation Day.

Dilution Adjustments	None.

7 Fees & expenses

Establishment and Operational Fees and Expenses	Establishment expenses associated with the Sub-Fund have been fully amortised. The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the Company.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	None.
Anti-Dilution Levy	The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 2% of the Net Asset Value per Unit.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly.

This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below.

Fees of the Management Company

The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) B	LI0106892966	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.15%	1.50%	Permitted	1,000	31.12.2009
(CHF) B	LI0148540441	CHF	No									17.12.2012
(USD) B	LI0148540466	USD	No									17.12.2012
(GBP) B	LI0148540482	GBP	No									26.08.2016
(USD) A	LI1109509946	USD	No	Distributing								04.05.2021

Unit Classes open only to specific groups of investors[#]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) I1	LI0106893006	EUR	No	Accumulating	1,000,000	0.001 Unit	1,000,000	0.11%	0.70%	Permitted	1,000	02.11.2016
(USD) I1	LI0148540474	USD	No									17.12.2012

Unit Classes open only to specific groups of investors[%]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) C	LI0247154839	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.15%	0.80%	Not permitted	1,000	27.11.2015
(CHF) C	LI0247155042	CHF	No									07.11.2014
(USD) C	LI0247155075	USD	No									10.10.2018

Unit Classes open only to specific groups of investors[§]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(EUR) IM	LI0106893030	EUR	No	Accumulating	1 Unit	0.001 Unit	1 Unit	0.11%	0.25%	Permitted	1,000	30.11.2009

[1] Denominated in Class Currency.

\# These Classes shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc.);
- institutions operating private or public-law occupational pension plans, including those of supranational organizations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc.);
- institutions operating private or public-law pension schemes, including those of supranational organizations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% These Classes shall only be open for investment by: (i) institutional investors (as defined above), (ii) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (iii) clients of LGT Group companies after signing an agreement relating to bank services without third-party remuneration; (iv) investors that have entered into a cooperation agreement with an LGT Group company; or (v) investors that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

§ These Classes shall only be open for persons or entities, who at the time of the subscription, belong to one of the following groups:

- directors of any company of LGT Group;

- employees (including part-time employees) with a permanent employment contract of any company of LGT Group;
- recipients of retirement and disability pensions from LGT Group, however, pension recipients with external membership according to the regulations of the staff benefits foundation are excluded;
- widows and widowers of former employees or pension recipients of LGT Group, however, widows and widowers of former employees or pension recipients with external membership according to the regulation of the staff benefits foundation are excluded;
- children of employees as well as children of retired or deceased employees of any company of LGT Group until the completion of their 18th year and if the children are not included in any group above;
- any other persons who are entitled to employee concessions of any company of LGT Group; or
- clients of LGT Group companies that have entered into a respective cooperation, advisory or discretionary management agreement.

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.** The 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.

SFDR Annex

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: LGT Funds SICAV – LGT Sustainable Equity Fund Global

Legal entity identifier: 549300BG8K4UEEMQ1E62

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes** ☒ **No**

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

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

☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% 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 and social characteristics, as it seeks to take into account ESG related factors in the asset selection and investment consideration and / or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. The Sub-Fund will exclude investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, namely:

- Companies involved in any activities related to controversial weapons;
- Companies involved in the cultivation and production of tobacco;
- Companies that benchmark administrators find in violation of 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 greenhouse gas intensity of more than 100 g CO2 e/kWh.

The Investment Manager also applies its proprietary policy on inhumane weapons and coal in respect of the Sub-Fund, which may in certain instances go beyond the aforementioned exclusions.

ESG Rating: The following are key performance indicators on ESG factors related to an investee company that are included in the ESG cockpit, which is a proprietary tool used as part of the ESG rating system discussed below, in the process to identify a universe of investable companies through a systematic process which relies on information from underlying companies (and therefore promoted as environmental and/or social characteristics by the Sub-Fund):

- *greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact*.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted.

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?

- **ESG Exclusion Policy**. The first factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy.
- **Screening based on ESG Rating.** Another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable companies and in the investment monitoring process.
- **Sustainable Investments. The aggregate weight of all sustainable investments held by the Sub-Fund shall be calculated and used to measure the attainment by the Sub-Fund of the environmental and/or social characteristics it promotes.**
- **United Nations Sustainable Development Goals ("UN SDGs").** In terms of considering whether investments of the Sub-Fund which are eligible for selection may be categorised as sustainable investments which are aligned with SFDR, another factor contributing to whether the Sub-Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be an assessment of whether the Sub-Fund has successfully and consistently applied its policy relating to investing in sustainable investments, i.e. in the context of the proportion of the Sub-Fund in sustainable investments only including investments with a positive net contribution to the UN SDGs by virtue of a net positive SDG score, based on the outputs from the ESG rating system. For the avoidance of doubt, the net positive SDG score, and therefore the level of sustainable investments, is determined on the basis of how an investment contributes, in terms of a total impact contribution (which includes an analysis of products, services and operational alignment), to an environmental or social objective.

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

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum, as per below, based on alignment of such investments with the UN SDGs.

An investment with an environmental objective aligned with SFDR is one which is 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.

An investment with a social objective aligned with SFDR is 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.

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?

In terms of ensuring that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, **a requirement for sustainable investments is the positive net contribution to UN SDGs, which cover a broad set of ESG activities.**

In addition, the portfolio is systematically screened for controversies across environmental and / or social issues as part of LGT's "do no significant harm" assessment. A sudden drop in the ESG rating of a particular company due to an ESG controversy will generally lead to an alert to be triggered so further assessment and action can be taken.

As an additional safeguard, the mandatory principal adverse impacts set out in Annex 1 of the regulatory technical standards supplementing the SFDR are used to further screen against activities that may significantly harm any of the environmental or social objectives, whereby investments that do not meet minimum thresholds applied by the Master Fund Investment Manager for each of the mandatory **principal adverse impact** indicators in Annex 1 shall be excluded from investment consideration.

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

Principal adverse impacts on sustainability factors are considered in the following manner:

- Principal adverse impact indicators are captured under the "do no significant harm" principle for sustainable investments outlined in the section entitled "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?"
- Principal adverse impacts are assessed as part of the ESG rating system.
- Principal adverse impact indicators are reported on as outlined in the section entitled "Does this financial product consider principal adverse impacts on sustainability factors?"

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

The Master Fund Investment Manager monitors breaches and controversies for new and existing investments which largely relies on the quality of data supplied by external data providers.

Where the Master Fund Investment Manager identifies clear breaches of norms outlined in the a) OECD Guidelines for Multinational Enterprises, b) 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 c) the International Bill of Human Rights the Master Fund Investment Manager will seek to exclude the investee

company from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded.

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 u***nderlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities***.*

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



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

☒ Yes

Yes. Principle adverse impacts on sustainability factors are assessed as part of the ESG rating system. The Master Fund Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers or investee entities. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Master Fund Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

For further information on principal adverse impacts of investment decisions on sustainability factors, refer to the Master Fund Investment Manager's website and the forthcoming annual report relating to Crown Sigma UCITS plc.

☐ 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.

To achieve the investment objective, the Master Fund Investment Manager may invest (either directly or indirectly) primarily in a broad range of equity securities and instruments listed or traded on Regulated Markets,

When selecting investments for the Sub-Fund, the Master Fund Investment Manager (a) undertakes an ESG analysis of the investment universe in order to promote environmental and/or social characteristics as described further in this Annex; (b) conducts a quantitative fundamental analysis of instruments; and (c) conducts a qualitative analysis of fundamental and sustainability factors to make security selections both within and outside of the Benchmark. Please refer to Section 4 of this Supplement titled "Investment Strategy" for further details in this regard.

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?

Investments are selected taking into account the following:

- **ESG Exclusion Policy:** Exclusions are applied in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?". The application of the ESG exclusion policy is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **Screening based on ESG Rating:** Following the application of the above exclusions, the Master Fund Investment Manager utilises its ESG rating system in respect of the remaining eligible investments. The Master Fund Investment Manager has developed a proprietary ESG rating system based on external data providers that provides objective, relevant and systematic ESG information. The ESG rating provides a ranking based on ESG criteria, whereby companies within the investment universe with more attractive ESG values are scored more highly than others. The ESG rating is utilised to remove the lowest scoring companies available through the Master Fund Investment Manager's proprietary rating tool according to the policy disclosed under *"What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*". The application of the ESG rating exclusion is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **Sustainable Investments**: In order for an investee entity to be considered a sustainable investment, it must be assessed by the Master Fund Investment Manager as meeting the following criteria: (i) it must contribute to an environmental or social objective (which may be assessed on the basis of alignment of such investments with the UN SDGs, as considered further below); (ii) it must do no significant harm to any other environmental or social objective; and (iii) it must follow good governance practices. At least 50% of the assets of the Sub-Fund will be committed to sustainable investments. This commitment is embedded into the Sub-Fund's investment selection process and is therefore a binding element.
- **UN SDGs.** In respect of sustainable investments, the Master Fund Investment Manager selects investee entities with a net positive SDG score, based on the outputs from the ESG rating system.
- Following the above steps, investments are selected on the basis of the general active asset management strategy, including further qualitative consideration of both ESG characteristics and non-ESG characteristics, as outlined in the section of the Supplement entitled "Investment Strategy".

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

After the ESG exclusion policy has been applied, the application of the ESG rating screening process as outlined above is applied to the total universe of companies analysed through the Master Fund Investment Manager's proprietary rating tool and the lowest scoring 25% of companies analysed, in terms of their ESG score, are excluded from investment consideration. It should be noted that the range of companies analysed through the Master Fund Investment Manager's proprietary rating tool may be wider than the target investment universe of the Sub-Fund, meaning that the actual amount of investments excluded from the Sub-Fund's scope of investments may effectively be a minimum rate that is lower than 25%.

In respect of the ongoing monitoring of this process, if, after the point of initial investment, companies subsequently fall into the lowest scoring 25% of companies available through the Master Fund Investment Manager's proprietary rating tool in terms of their ESG score, the Master Fund Investment Manager commits to divesting or disposing of such positions according to its internal guidelines, while acting in the best interests of Unitholders.

The Master Fund Investment Manager maintains full discretion of adjustments to the ESG rating tool's data composition and investors should note that the Master Fund Investment Manager may rely on third-party ESG data or research providers to produce any ESG-related analysis. Such data or research may be imprecise, incorrect, or unavailable and the resulting analysis or use of such data by

the Master Fund Investment Manager for the purpose of reducing the scope of investments on ESG grounds may be impacted.

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

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

In order to ensure that companies that the Sub-Fund invests in follow good governance practices, as reasonably determined by the Master Fund Investment Manager, the Master Fund Investment Manager's quantitative screening of corporate governance, which relies on information from underlying companies, considers the independence and competency of investee company boards in terms of leadership and composition, existing and independent key committees, compensation policy, the degree of integration of long-term and ESG related targets, and minority shareholder protections. In addition, good governance is a factor in the qualitative assessment of individual companies prior to investment.

The Master Fund Investment Manager also applies an active ownership policy, which applies a high priority to ESG.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

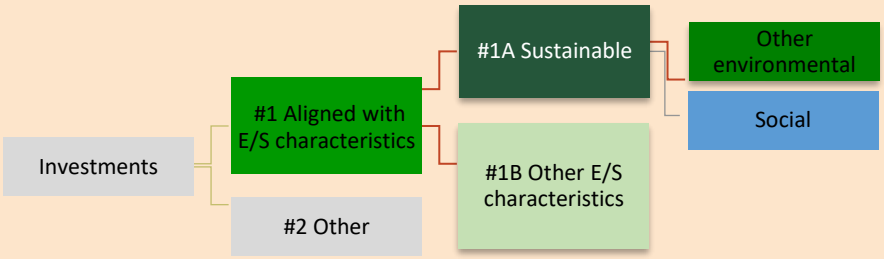
Taxonomy-aligned activities are expressed as a share of:

- **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.

At least 90% of the assets of the Sub-Fund will be allocated to investments aligned with environmental and/or social characteristics (#1). At least 50% of the assets of the Sub-Fund will be committed to sustainable investments (#1A).

Minimum environmental and social safeguards and the purpose of the remaining portion of investments is outlined in the section entitled "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

The below graphical representation contextualises the types of investment considered.



#1 Aligned with E/S characteristics includes the investments of the Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social

objectives.

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

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

The Sub-Fund does not use derivatives specifically for the purpose of attaining the environmental and or social characteristics it promotes. Rather, the Sub-Fund may use derivatives for ordinary purposes, as outlined in the Supplement, that is, for investment purposes, hedging and/or for efficient portfolio management purposes and in certain cases this may therefore incidentally relate to the Sub-Fund attaining the environmental and/or social characteristics it promotes.

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

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 Sub-Fund does not aim to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of committed EU Taxonomy-aligned investments shall be zero per cent.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[10]

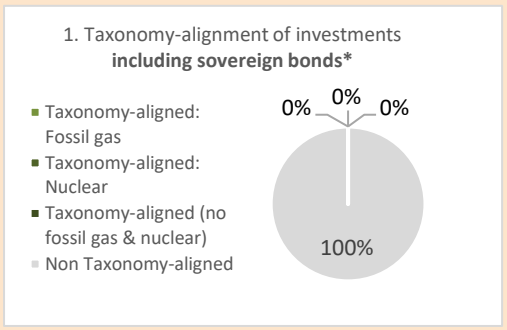
☐ Yes

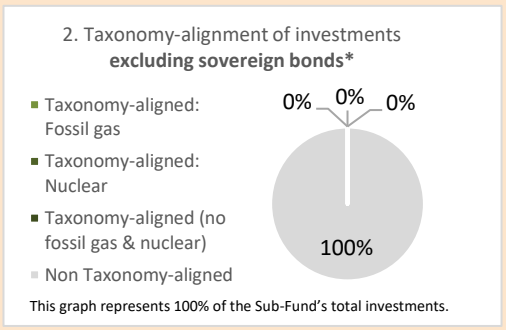
☐ In fossil gas ☐ In nuclear energy

☒ No

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.

[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.





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

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

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the Sub-Fund does not commit to invest in sustainable investments in transitional and enabling activities.

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 sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with an environmental objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific environmental focus, the minimum share of sustainable investments with an environmental objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.

What is the minimum share of socially sustainable investments?

The sustainable investments of the Sub-Fund will target a combination of environmental and social objectives across the spectrum and among those will be sustainable investments with a social objective that are not aligned with the Taxonomy Regulation.

While the minimum share of sustainable investments, environmental and social combined, that are not aligned with the Taxonomy Regulation will be 50% of the assets of the Sub-Fund, on the basis that the Sub-Fund does not have a specific social focus, the minimum share of sustainable investments with a social objective that are not aligned with the Taxonomy Regulation shall be greater than 0% of the assets of the Sub-Fund.

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

Investments under "#2 Other are investments which are neither aligned with the environmental or social characteristics nor qualify as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or there is lacking market practice for appropriate quantification of ESG factors.

- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

The Master Fund Investment Manager applies minimum safeguards through a screening that is conducted to capture severe controversies or violations of social norms, taken into account as part of the final ESG score of an investee company of the Sub-Fund. Investors should note that, while the Master Fund Investment Manager has developed a comprehensive tool to rate securities on ESG-related metrics, there may exist instances where data is lacking, and such assessment may be impacted on this basis.



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

Additionally, to the extent possible and / or where any investments in “Other” form a portion of the strategic asset allocation, the Master Fund Investment Manager’s proprietary ESG rating is applied to the investments making up the ’Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Master Fund Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

Exclusions are also applied by the Master Fund Investment Manager in the investment selection process based on ESG factors, as disclosed in the section entitled "What environmental and/or social characteristics are promoted by this financial product?"

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?

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

The Benchmark used by the Sub-Fund is a mainstream index and does not take account of ESG factors and is therefore not consistent with the environmental and social characteristics promoted by the Sub-Fund.



Where can I find more product specific information online?

You may find more information on www.fundinfo.com and the Master Fund Investment Manager’s website: www.lgtcp.com/en/regulatory-information.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Fixed Maturity Bond Fund 2026 (in liquidation)

Sub-Fund Supplement

LGT Fixed Maturity Bond Fund 2026 (in liquidation)

1 Introduction

This Supplement contains specific information in relation to LGT Fixed Maturity Bond Fund 2026 (in liquidation) (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging purposes and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium to high volatility.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

3 General

Base Currency	means US Dollar. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Target Dividend Payment	Target Dividend payments are expected to be made at least semi-annually at a rate specified below. The Target Dividend Payment is an indication only and there is no guarantee regarding the amount of dividend payments or that such payments will be made, payment of and final amount of the Target Dividend will be at the discretion of the UCITS or the Management Company acting on behalf of the UCITS, please see the section entitled "Specific Risk Factors"

	for further information. Payment of a Target Dividend may reduce the overall final distribution paid to Unitholders as at the Maturity Date. While it is generally intended to declare the Target Dividend out of the net income and/or net realized gains of the Sub-Fund, the UCITS or the Management Company acting on behalf of the UCITS may, at such times at it thinks fit and in accordance with the requirements of the FMA, also declare such Target Dividend out of the realized capital of the Sub-Fund. The Target Dividend is expected to be paid to clients twice a year within 2 months of (a) following the end of each financial year, and (b) after six months of the financial year. The Target Distributions will be paid in the base currency of the Sub-Fund.
Target Dividend Payment Rate	At least semi-annual targeted dividend pay-outs of USD 6-month SOFR+ 2.50% p.a. unless the UCITS (or the Management Company acting on behalf of the UCITS) determine otherwise.
Duration	Until the Maturity Date.
Maturity Date	means 31 May 2026 (subject to extension of this Maturity Date by the UCITS or the Management Company, acting on behalf of the UCITS and as notified to Unitholders, as detailed below
Minimum Fund Size	USD $50,000,000 (the UCITS or the Management Company on behalf of the UCITS, reserve the discretion to waive the Minimum Sub-Fund Size). The UCITS or the Management Company acting on behalf of the UCITS reserve the right to not launch the Sub-Fund and cancel any requests for Units if the Sub-Fund has less than the Minimum Sub-Fund Size at the end of the Initial Subscription Day. Where the Sub-Fund is not launched, investors will be notified.
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth, and protection from inflation-related value fluctuations with a medium term investment time horizon who are willing to set aside capital for at least four years, primarily seeking constant returns and who are prepared to accept a medium to high level of volatility from time to time. Investors should not be dependent on liquidating the investment at a specific point in time, though ideally remaining invested in the Sub-Fund until the Maturity Date. Investors cannot exclude the risk of price decreases, foreign exchange losses and volatile returns due to market developments which are unfavourable for investors.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund. This Sub-Fund may invest in lower investment-grade debt instruments. As a result, the underlying debt may be subject to increased downgrading risks and bear a higher default risk than securities issued by investment-grade debtors. The higher yield is to be seen as compensation for additional risks. If inflation rises above the anticipated levels, inflation-linked debt instruments will outperform straight bonds due to the effects resulting from the protection against inflation. Straight bonds will outperform inflation-linked debt instruments when the rate of inflation is lower than anticipated. This investment type is subject to market risk, issuer risk and interest rate risk, which may have negative effects on net assets, since most assets of the Sub-Fund are invested in equity

securities and similar instruments as well as in debt securities and similar instruments. Other additional risks may also materialise, such as currency risk.

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The low margins normally required in futures trading permit a very high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as "daily limits", which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day's closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Investment Manager to liquidate a futures position against which the market is moving. A series of "limit moves", in which the market price moves the "daily limit" with little or no trading taking place, could subject the Sub-Fund to major losses.

Target Dividend payments may not be possible where market conditions hinder the payment of such. The payment of a Target Dividend, or likewise, not paying a Target Dividend, will be at the discretion of the UCITS (or the Management Company on behalf of the UCITS). Payment of a Target Dividend may reduce the overall final distributions to Unitholders.

While it is generally intended to pay the Target Dividend out of the net income and/or the net realized gains of the Sub-Fund, the UCITS or the Management Company acting on behalf of the UCITS may (in accordance with the requirements of the FMA) declare a Target Dividend out of the realized capital of the Sub-Fund, which may have adverse tax or economic consequences to Unitholders. Unitholders should be aware of and have regard to the tax or economic consequences of a Target Dividend paid out of income, realized gains or realized capital.

The maturity date of the fixed income securities into which the Sub-Fund invests may be subject to changes during their lifetime resulting from restructuring, prospectus changes (initiated by the issuer of the fixed income securities) and/or related (voluntary) debt exchange offers. Such fixed income securities would thus be considered by the Investment Manager to maintain their initial maturity (at the time of investing by the Sub-Fund) for the purposes of calculating the percentage limits applicable to their maturity as described in Section Permitted Investments.

Termination at the Maturity Date

If, at the Maturity Date, exceptional market conditions exist which make it unfavourable when taking into account the best interests of the Unitholders to sell the Sub-Fund's assets, the Directors, in consultation with the Investment Manager, may defer the Maturity Date by up to a maximum of four months, in which case Unitholders will be notified accordingly. Any extension of the Maturity Date will be duly communicated to all Unitholders and such communication will include the revised Maturity Date.

At the Maturity Date, the Sub-Fund will be put into liquidation. Unitholders will not need to submit a redemption notice. Redemption proceeds will be paid out in accordance with the timelines stated below.

4 Investment management

Investment Objective

The investment objective of the Sub-Fund is to generate total return over the lifetime of the Sub-Fund.

The Sub-Fund intends to make a Target Dividend Payment at least semi-annually, as detailed below.

The Sub-Fund will mature on the Maturity Date and it is the intention to wind-down the Sub-Fund at the Maturity Date, as described in section General above.

There can be no assurance that the Sub-Fund will achieve its investment objective.

Investment Focus

Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) in in debt instruments, bonds, notes and similar fixed interest or floating rate securities (including securities issued on a discounted basis) of private, semi-private and public issuers worldwide, as further described below under Permitted Investments & Techniques. (all together the "**Target Asset Classes**").

The Sub-Fund does not pursue a specific sectoral focus.

Permitted Investments & Techniques

The Sub-Fund may invest primarily in a broad range of fixed income securities and instruments listed or traded on Regulated Markets and issued by private or public debtors all over the world taking into account the quality and sustainability aspects mentioned below as well as adequate risk diversification, (such as bonds, including *inter alia* inflation-linked, high-yield or, credit linked notes, treasuries and money market instruments (including certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash denominated in such currencies as the Investment Manager may determine).

Such bonds can be government and/or corporate bonds and can be fixed and/or floating rate. The Sub-Fund will have an average rating of at least BBB- (according to Moody's / Standard & Poor or any similar recognised ratings agency.

The Investment Manager generally expects to make investments in the base currency of the Sub-Fund or to foreign exchange exposures hedged to the base currency of the Sub-Fund.

The maturity date of the fixed income securities into which the Sub-Fund invests may occur before or after the Maturity Date of the Sub-Fund. Nevertheless, at the time of investing, a minimum of 65% of the fixed income securities will have a shorter or equal maturity compared to the Maturity Date of the Sub-Fund, whereas up to 30% of the fixed income securities may have a maturity date that extends up to no longer than 6 months after the Maturity Date of the Sub-Fund and up to 5% of the fixed income securities may have a maturity date that is independent of the aforementioned limitations in relation to the Maturity Date of the Sub-Fund. Although it is intended that the Sub-Fund will hold the securities until maturity, the Investment Manager has the right to sell them prior to their respective maturity date. The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

	The Sub-Fund may gain exposure to the Target Asset Classes: (a) by direct investment in various underlying securities, such as bonds, fixed-rate securities, notes and others; (b) indirectly through the use of FDI; or (c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes; The Sub-Fund may utilize FDIs (exchange traded or over-the-counter), such as: (a) futures (including interest rate futures, financial futures, currency futures and index futures); (b) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps); (c) forwards (including currency forwards and non-deliverable forwards); (d) currency options (including non-deliverable currency options). Interest rate derivatives may be used to swap the fixed rate and coupon earned to a floating rate Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies. The Sub-Fund may invest up to 100% of its total net assets in short-dated debt instruments having a maturity of less than 12 months and money market instruments (such as commercial papers) towards the end of the lifecycle of the Sub-Fund, as the Investment Manager will start to replace fixed income instruments. As mentioned above, the Sub-Fund may hold cash and Cash Equivalents during the lifetime of the Sub-Fund, however, in order to prepare for the liquidation at the Maturity Date (as described above), the proportion of cash assets held will increase approaching the Maturity Date. Consequently, the Sub-Fund may hold up to 100% of its total net assets in cash and Cash Equivalents as of 3 months before the Maturity Date.
Investment Strategy	The Sub-Funds' portfolio is actively managed and is not managed in reference to a benchmark.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements. All types of assets which may be held by the Sub-Fund in accordance with its investments objective and policy may be subject to a Securities Financing Transaction. The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 30% of the Net Asset Value. However, the expected proportion of the Sub-

	Fund's assets which can be subject to Securities Financing Transactions is approximately 25% of the Net Asset Value. The exposure held by the Sub-Fund through Securities Financing Transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. In any case, the most recent semi-annual and annual report of the UCITS will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of the Sub-Fund's assets subject to Securities Financing Transactions. Please see the section Risk Factors in the Investment Conditions for details of the risks associated with Securities Financing Transactions. Please see the section Securities Financing Transactions and Total Return Swaps in the Investment Conditions for further details in respect of the use of Total Return Swaps and Securities Financing Transactions.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI. See the section of the Investment Conditions entitled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favorably or un-favorably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.
Principle Adverse Impacts	Notwithstanding that the Investment Manager integrates the consideration of Sustainability Risks into the investment decision-making process, the Investment Manager, in its capacity as the delegate of the Management Company, is not required to and therefore elects not to consider the principal adverse impacts of its investment decisions in respect of the Sub-Fund on Sustainability Factors for the purposes of SFDR. For further information on how the Investment Manager addresses principal adverse impacts refer to the Investment Manager's website www.lgtcp.com.
Taxonomy Regulation	The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Sub-Fund. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance

transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

For the purpose of the Taxonomy Regulation, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

5 Risk management, leverage & borrowing

General	The Management Company utilizes a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the modified commitment approach.
Leverage	The Sub-Fund uses the modified commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means a Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, provided there is at least one per fortnight. Following the Initial Subscription Day, Units are available at the Subscription Price on each Dealing Day, subject to available capacity. The UCITS or the Management Company on behalf of the UCITS may close some or all of the Classes in the Sub-Fund to subscriptions from existing and/or new Unitholders if the assets attributable to the Sub-Fund are at a level, above which, as determined by the Directors or the Management Company on behalf of the UCITS, it is not in the best interests of Unitholders to accept further subscriptions – for instance where the size of the Sub-Fund may constrain the ability of the Investment Manager to meet the Investment Objective of the Sub-Fund. The UCITS or the Management Company on behalf of the UCITS may subsequently re-open some or all of the Classes in the Sub-Fund to further subscriptions from existing and/or new Unitholders at their discretion and the process of closing and potentially, re-opening the Classes may be repeated thereafter as the UCITS or the Management Company on behalf of the UCITS may determine from time to time. Unitholders may ascertain the closed or open status of the Classes and if those Classes are open to existing and/or new Unitholders

	by contacting the Administrator. Closing the Classes to new subscriptions from existing and/or new Unitholders will not affect the redemption rights of Unitholders.
Subscription Deadline	means with respect to each Valuation Day, 2pm CET on the Business Day prior the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS of the Management Company.
Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.
Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Subscription Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Redemption Deadline shall be automatically treated as having been received for the next available Redemption Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.

Redemption Deadline	means with respect to each Valuation Day, 2pm CET on the fifth Business Day prior the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23:59 CET on the relevant Valuation Day.
Liquidity Gate Trigger	5%.
Dilution Adjustments	Partial Swing Pricing. The Net Asset Value of the Sub-Fund may, on any Valuation Day, be adjusted upwards or downwards by a maximum of 1,5% (the "**Swing Factor**") in accordance with the section of the Investment Conditions titled Swing Pricing, to reflect the costs attributable to Net Subscription or Net Redemption applications received in relation to the Sub-Fund. The Swing Factor may be applied only on Valuation Days on which the aggregate net investor transactions in the Sub-Fund (Net Subscriptions or Net Redemptions) exceed 5% of the Net Asset Value of the Sub-Fund (the "**Swing Threshold**").

7 Fees & expenses

Establishment and Operational Fees and Expenses	The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.

Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	Max. 2%.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly. This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below. *Fees of the Management Company* The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS. *Fees of the Depositary and Administrator* The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund. The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates. The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) A	LI1136437905	USD	No	Distributing	1 Unit	0.001 Unit	1 Unit	0.12%	0.50%	Permitted	1,000	01.12.2021

Unit Classes open only to specific groups of investors[§]:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) IM	LI1136437913	USD	No	Distributing	1 Unit	0.001 Unit	1 Unit	0.06%	0.25%	Permitted	1,000	[ ]

[1] Denominated in Class Currency.

§ These Classes shall only be open for persons or entities, who at the time of the subscription, belong to one of the following groups:

- directors of any company of LGT Group;
- employees (including part-time employees) with a permanent employment contract of any company of LGT Group;
- recipients of retirement and disability pensions from LGT Group, however, pension recipients with external membership according to the regulations of the staff benefits foundation are excluded;
- widows and widowers of former employees or pension recipients of LGT Group, however, widows and widowers of former employees or pension recipients with external membership according to the regulation of the staff benefits foundation are excluded;
- children of employees as well as children of retired or deceased employees of any company of LGT Group until the completion of their 18th year and if the children are not included in any group above;
- any other persons who are entitled to employee concessions of any company of LGT Group; or
- clients of LGT Group companies that have entered into a respective cooperation, advisory or discretionary management agreement.

LGT CAPITAL PARTNERS

lgtcp.com

LGT Fixed Maturity Bond Fund 2026/II (in liquidation)

Sub-Fund Supplement

LGT Fixed Maturity Bond Fund 2026/II (in liquidation)

1 Introduction

This Supplement contains specific information in relation to LGT Fixed Maturity Bond Fund 2026/II (in liquidation) (the "**Sub-Fund**"), a sub-fund of LGT Funds SICAV.

This Supplement forms part of, and must be read in conjunction with, the Investment Conditions of the UCITS. This Supplement may not be distributed unless accompanied by the Investment Conditions (other than to prior recipients of the Investment Conditions).

Words and expressions defined in the Investment Conditions shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

2 Important information

The Sub-Fund may invest in FDI for investment, hedging purposes and efficient portfolio management purposes (as detailed below under Section 4).

Certain risks attached to investments in FDIs are set out in the Investment Conditions under the section entitled Risk Factors. The Management Company of the UCITS expects that the Net Asset Value of the Sub-Fund will have medium to high volatility.

Certain classes of the Sub-Fund (as detailed below under Section 8) may pay dividends out of the capital of the Sub-Fund attributable to the relevant Class in order to enable the Class to distribute regular dividends. This will erode capital notwithstanding the performance of the Sub-Fund and will diminish the Sub-Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Sub-Fund should be understood as a type of capital reimbursement. As a result, distributions out of capital of the Sub-Fund attributable to a Class will be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.

3 General

Base Currency	means US Dollar. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in Section 8.
Business Day	means any day on which banks are open for business in Liechtenstein, Switzerland and in other markets which forms the basis for the valuation of a substantial part of the assets contained in the Sub-fund and/or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine.
Target Dividend Payment	Target Dividend payments are expected to be made at least semi-annually at a rate specified below. The Target Dividend Payment is an indication only and there is no guarantee regarding the amount of dividend payments or that such payments will be made, payment of and final amount of the Target Dividend will be at the discretion of the UCITS or the Management Company acting on behalf of the UCITS, please see the section entitled "Specific Risk Factors"

	for further information. Payment of a Target Dividend may reduce the overall final distribution paid to Unitholders as at the Maturity Date. While it is generally intended to declare the Target Dividend out of the net income and/or net realized gains of the Sub-Fund, the UCITS or the Management Company acting on behalf of the UCITS may, at such times at it thinks fit and in accordance with the requirements of the FMA, also declare such Target Dividend out of the realized capital of the Sub-Fund. The Target Dividend is expected to be paid to clients twice a year within 2 months of (a) following the end of each financial year, and (b) after six months of the financial year. The Target Distributions will be paid in the base currency of the Sub-Fund.
Target Dividend Payment Rate	At least semi-annual targeted dividend pay-outs of USD 6-month SOFR+ 2.40% p.a. unless the UCITS (or the Management Company acting on behalf of the UCITS) determine otherwise. The Target Dividend Payment is an indication only and is subject to market conditions at launch. There is no guarantee regarding the amount of dividend payments or that such payments will be made, please see the section entitled "Specific Risk Factors" for further information. For the avoidance of doubt the Target Dividend Payment is gross of fees
Duration	Until the Maturity Date.
Maturity Date	means 30 June 2026 (subject to extension of this Maturity Date by the UCITS or the Management Company, acting on behalf of the UCITS and as notified to Unitholders, as detailed below
Minimum Sub-Fund Size	USD $50,000,000 (the UCITS or the Management Company on behalf of the UCITS, reserve the discretion to waive the Minimum Sub-Fund Size). The UCITS or the Management Company acting on behalf of the UCITS reserve the right to not launch the Sub-Fund and cancel any requests for Units if the Sub-Fund has less than the Minimum Sub-Fund Size at the end of the Initial Subscription Day. Where the Sub-Fund is not launched, investors will be notified.
Maximum Sub-Fund Size	USD 200,000,000 (the UCITS or the Management Company on behalf of the UCITS, reserve the discretion to waive the Maximum Sub-Fund Size).
Profile of a typical Investor	Investment in the Sub-Fund is suitable for investors seeking capital growth, and protection from inflation-related value fluctuations with a medium term investment time horizon who are willing to set aside capital for at least four years, primarily seeking constant returns and who are prepared to accept a medium to high level of volatility from time to time. Investors should not be dependent on liquidating the investment at a specific point in time, though ideally remaining invested in the Sub-Fund until the Maturity Date. Investors cannot exclude the risk of price decreases, foreign exchange losses and volatile returns due to market developments which are unfavourable for investors.
Risk Factors	means the general risk factors outlined in the Investment Conditions that apply to an investment in this Sub-Fund.

This Sub-Fund may invest in lower investment-grade debt instruments. As a result, the underlying debt may be subject to increased downgrading risks and bear a higher default risk than securities issued by investment-grade debtors. The higher yield is to be seen as compensation for additional risks. If inflation rises above the anticipated levels, inflation-linked debt instruments will outperform straight bonds due to the effects resulting from the protection against inflation. Straight bonds will outperform inflation-linked debt instruments when the rate of inflation is lower than anticipated.

This investment type is subject to market risk, issuer risk and interest rate risk, which may have negative effects on net assets, since most assets of the Sub-Fund are invested in equity securities and similar instruments as well as in debt securities and similar instruments. Other additional risks may also materialise, such as currency risk.

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The low margins normally required in futures trading permit a very high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as "daily limits", which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day's closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Investment Manager to liquidate a futures position against which the market is moving. A series of "limit moves", in which the market price moves the "daily limit" with little or no trading taking place, could subject the Sub-Fund to major losses.

Target Dividend payments may not be possible where market conditions hinder the payment of such. The payment of a Target Dividend, or likewise, not paying a Target Dividend, will be at the discretion of the UCITS (or the Management Company on behalf of the UCITS). Payment of a Target Dividend may reduce the overall final distributions to Unitholders.

While it is generally intended to pay the Target Dividend out of the net income and/or the net realized gains of the Sub-Fund, the UCITS or the Management Company acting on behalf of the UCITS may (in accordance with the requirements of the FMA) declare a Target Dividend out of the realized capital of the Sub-Fund, which may have adverse tax or economic consequences to Unitholders. Unitholders should be aware of and have regard to the tax or economic consequences of a Target Dividend paid out of income, realized gains or realized capital.

The maturity date of the fixed income securities into which the Sub-Fund invests may be subject to changes during their lifetime resulting from restructuring, prospectus changes (initiated by the issuer of the fixed income securities) and/or related (voluntary) debt exchange offers. Such fixed income securities would thus be considered by the Investment Manager to maintain their initial maturity (at the time of investing by the Sub-Fund) for the purposes of calculating the percentage limits applicable to their maturity as described in Section Permitted Investments.

Termination at the Maturity Date

If, at the Maturity Date, exceptional market conditions exist which make it unfavourable when taking into account the best interests of the Unitholders to sell the Sub-Fund's assets, the Directors, in consultation with the Investment Manager, may defer the Maturity Date by up to a maximum of four months, in which case Unitholders will be notified accordingly. Any extension of the Maturity Date will be duly communicated to all Unitholders and such communication will include the revised Maturity Date.

At the Maturity Date, the Sub-Fund will be put into liquidation. Unitholders will not need to submit a redemption notice. Redemption proceeds will be paid out in accordance with the timelines stated below.

4 Investment management

Investment Objective

The investment objective of the Sub-Fund is to generate total return over the lifetime of the Sub-Fund.

The Sub-Fund intends to make a Target Dividend Payment at least semi-annually, as detailed below.

The Sub-Fund will mature on the Maturity Date and it is the intention to wind-down the Sub-Fund at the Maturity Date, as described in section General above.

There can be no assurance that the Sub-Fund will achieve its investment objective.

Investment Focus

Subject to the investment restrictions specified in Appendix 1 to the Investment Conditions, the Sub-Fund will seek to achieve its investment objective by investing (either directly or indirectly as further described below) in in debt instruments, bonds, notes and similar fixed interest or floating rate securities (including securities issued on a discounted basis) of private, semi-private and public issuers worldwide, as further described below under Permitted Investments & Techniques. (all together the "**Target Asset Classes**").

The Sub-Fund does not pursue a specific sectoral focus.

Permitted Investments & Techniques

The Sub-Fund may invest primarily in a broad range of fixed income securities and instruments listed or traded on Regulated Markets and issued by private or public debtors all over the world taking into account the quality and sustainability aspects mentioned below as well as adequate risk diversification, (such as bonds, including *inter alia* inflation-linked, high-yield or, credit linked notes, treasuries and money market instruments (including certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash denominated in such currencies as the Investment Manager may determine).

Such bonds can be government and/or corporate bonds and can be fixed and/or floating rate. The Sub-Fund will have an average rating of at least BBB- (according to Moody's / Standard & Poor or any similar recognised ratings agency).

The Investment Manager generally expects to make investments in the base currency of the Sub-Fund or to foreign exchange exposures hedged to the base currency of the Sub-Fund.

The maturity date of the fixed income securities into which the Sub-Fund invests may occur before or after the Maturity Date of the Sub-Fund. Nevertheless, at the time of investing, a minimum of 65% of the fixed income securities will have a shorter or equal maturity compared to the Maturity Date of the Sub-Fund, whereas up to 35% of the fixed income securities may have a maturity date that extends beyond the Maturity Date of the Sub-Fund. Up to 5% of the aforementioned 35% may have a maturity date that is independent of the Maturity Date of the Sub-Fund and the remainder of the fixed income securities may have a maturity date that extends up to no longer than 6 months after the Maturity Date of the Sub-Fund . Although it is intended that the Sub-Fund will hold the securities until maturity, the Investment Manager has the right to sell them prior to their respective maturity date. The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

It is intended that the Sub-Fund will be managed to operate, in normal circumstances, on a long only basis.

	The Sub-Fund may gain exposure to the Target Asset Classes: (a) by direct investment in various underlying securities, such as bonds, fixed-rate securities, notes and others ; (b) indirectly through the use of FDI; or (c) indirectly by way of investment in Eligible CIS which themselves provide exposure to the Target Asset Classes; The Sub-Fund may utilize FDIs (exchange traded or over-the-counter), such as: (a) futures (including interest rate futures, financial futures, currency futures and index futures); (b) swaps (including credit default swaps, interest rate swaps, foreign exchange swaps and currency swaps); (c) forwards (including currency forwards and non-deliverable forwards); (d) currency options (including non-deliverable currency options). Interest rate derivatives may be used to swap the fixed rate and coupon earned to a floating rate Details relating to each of these FDIs are set out in the section of the Investment Conditions entitled Investment Objectives, Techniques, Instruments and Strategies. The Sub-Fund may invest up to 100% of its total net assets in short-dated debt instruments having a maturity of less than 12 months and money market instruments (such as commercial papers) towards the end of the lifecycle of the Sub-Fund, as the Investment Manager will start to replace fixed income instruments. As mentioned above, the Sub-Fund may hold cash and Cash Equivalents during the lifetime of the Sub-Fund, however, in order to prepare for the liquidation at the Maturity Date (as described above), the proportion of cash assets held will increase approaching the Maturity Date. Consequently, the Sub-Fund may hold up to 100% of its total net assets in cash and Cash Equivalents as of 3 months before the Maturity Date.
Investment Strategy	The Sub-Funds' portfolio is actively managed and is not managed in reference to a benchmark.
Collective Investment Schemes	The Sub-Fund shall not invest, in aggregate, more than 10% of its Net Asset Value in other Eligible CIS. The Sub-Fund shall not invest in any Eligible CIS which can, under the terms of their own prospectus or instruments of incorporation, invest more than 10% of its net assets in other collective investment schemes.
Total Return Swaps	The Sub-Fund shall not enter into Total Return Swaps.
Repurchase Agreements and Reverse Repurchase Agreements	The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements. All types of assets which may be held by the Sub-Fund in accordance with its investments objective and policy may be subject to a Securities Financing Transaction. The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 30% of the Net Asset Value. However, the expected proportion of the Sub-

	Fund's assets which can be subject to Securities Financing Transactions is approximately 25% of the Net Asset Value. The exposure held by the Sub-Fund through Securities Financing Transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. In any case, the most recent semi-annual and annual report of the UCITS will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of the Sub-Fund's assets subject to Securities Financing Transactions. Please see the section Risk Factors in the Investment Conditions for details of the risks associated with Securities Financing Transactions. Please see the section Securities Financing Transactions and Total Return Swaps in the Investment Conditions for further details in respect of the use of Total Return Swaps and Securities Financing Transactions.
Securities Lending	The Sub-Fund shall not engage in securities lending transactions.
Portfolio Hedging	The Investment Manager expects to generally enter into transactions to secure the Sub-Fund's portfolio against currency exchange rate fluctuations through the use of FDI. See the section of the Investment Conditions entitled Portfolio Level Currency Hedging for further information.
Class Hedging	Where applicable as outlined in Section 8, the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI. The adoption of this strategy may substantially impact the returns accruing to holders of Units of such a Class compared to other classes of the Sub-Fund to the extent that the Class Currency appreciates relative to the Base Currency and/or compared to other currencies in which the assets of the Sub-Fund are denominated. There can be no assurance that the program of currency risk management will be entirely successful. Notwithstanding such program, the Class may be affected favorably or un-favorably by exchange rate fluctuations. See the sections of the Investment Conditions entitled Hedged Classes and Unit Currency Designation Risk for further information.
Principle Adverse Impacts	Notwithstanding that the Investment Manager integrates the consideration of Sustainability Risks into the investment decision-making process, the Investment Manager, in its capacity as the delegate of the Management Company, is not required to and therefore elects not to consider the principal adverse impacts of its investment decisions in respect of the Sub-Fund on Sustainability Factors for the purposes of SFDR. For further information on how the Investment Manager addresses principal adverse impacts refer to the Investment Manager's website www.lgtcp.com.
Taxonomy Regulation	The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Sub-Fund. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance

	transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities. For the purpose of the Taxonomy Regulation, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

5 Risk management, leverage & borrowing

General	The Management Company utilizes a risk management framework which enables it to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.
Global Exposure	The global exposure of the Sub-Fund is measured using the modified commitment approach.
Leverage	The Sub-Fund uses the modified commitment approach to calculate its global exposure as a result of the use of derivatives. The overall exposure associated with derivative instruments shall not exceed the total net asset value (i.e. 100%) of the Sub-Fund's assets.
Borrowing	In accordance with the general provisions set out in the Investment Conditions, the Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

6 Unit dealing

Dealing Day	means a Valuation Day or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine, and notify in advance to the Unitholders, provided there is at least one per fortnight. Initially, Units may be purchased, starting on the Initial Subscription Day at the Initial Subscription Price. The UCITS or the Management Company acting on behalf of the UCITS reserve the right to not launch the Sub-Fund and cancel any requests for Units if the Sub-Fund has less than the Minimum Sub-Fund Size at the end of the Initial Subscription Day. Where the Sub-Fund is not launched, investors will be notified. In case the aggregate value of initial subscriptions by all investors (hereinafter, the "Aggregate Subscription Amount") exceeds the Maximum Sub-Fund Size (as defined above), to ensure fair and equal treatment of all investors, the Management Company will apply the "pro rata" principle when issuing and allotting Units of the Sub-Fund to investors. In such case, each investor will receive a pro rata number of Units according to the fraction of the Maximum Sub-Fund Size over the Aggregate Subscription Amount multiplied by the Units of the Sub-Fund that investor subscribed for. Following the Initial Subscription Day, Units are available at the Subscription Price on each Subscription Day, subject to available capacity. The UCITS or the Management Company on behalf of the UCITS may close some or all of the Classes in the Sub-Fund to subscriptions from existing and/or new Unitholders if the assets attributable to the Sub-Fund are at a level, above which, as determined by the UCITS or the Management Company on behalf of the UCITS, it is not in the best interests of Unitholders to accept further subscriptions – for instance where the size of the Sub-Fund may constrain the ability of the Investment Manager to meet the Investment Objective of the Sub-Fund. The UCITS or the Management Company on behalf of the UCITS may subsequently re-open some or all of the Classes in the Sub-Fund to further subscriptions from existing and/or new Unitholders at their discretion and the process of closing and potentially, re-opening the Classes may be repeated thereafter as the UCITS or the Management Company on behalf of the UCITS may determine from time to time. Unitholders may ascertain the closed or open status of the Classes and if those Classes are open to existing and/or new Unitholders by contacting the Administrator. Closing the Classes to new subscriptions from existing and/or new Unitholders will not affect the redemption rights of Unitholders.
Subscription Deadline	means with respect to each Valuation Day, 2pm CET on the Business Day prior the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Issue of Contract Notes	Unitholders will receive a contract note up to two Settlement Days of the base currency of the particular Class following immediately the relevant Dealing Day or such other day or days determined from time to time by the UCITS of the Management Company.
Investor Eligibility	means particular investor eligibility requirements in respect each Class (if any) are outlined in Section 8. The UCITS or the Management Company may amend or waive such eligibility requirements in their sole discretion.
Initial Issue Price	as defined in Section 8 in respect of each Class.

Initial Subscription Day	as defined in Section 8 in respect of each Class. The Initial Subscription Day can be amended or extended by the UCITS or the Management Company in their sole discretion.
Minimum Initial Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Initial Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Minimum Additional Investment Amount	as defined in Section 8 in respect of each Class. The Minimum Additional Investment Amount can be waived or amended by the UCITS or the Management Company in their sole discretion.
Treatment of Late Notice Applications for Subscription	Applications for Units received after the relevant Subscription Deadline will be automatically held over and Units will be issued on the next applicable Dealing Day unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice application for subscription.
Treatment of Late Notice Requests for Redemption	Redemption requests received after the Redemption Deadline shall be automatically treated as having been received for the next available Redemption Deadline unless the UCITS or the Management Company agree, in their sole discretion, to accept a late notice redemption request.
Limitations on redemptions	see the section of the Investment Conditions entitled Limitations on Redemptions for further information.
Redemption Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later time as may be determined by the UCITS or the Management Company.
Redemption Deadline	means with respect to each Valuation Day, 2pm CET on the fifth Business Day prior the relevant Dealing Day, or such other times as may be determined by the UCITS or the Management Company, provided the Dealing Deadline is before the Valuation Point.
Subscription Payment Date	means up to two Settlement Days of the base currency of the particular Class immediately following the relevant Valuation Day or such later day as may be determined by the UCITS or the Management Company in their sole discretion.
Valuation Day	means at least weekly, on the first Business Day of the week, or such other day or days as the UCITS or the Management Company may, with the consent of the Depositary, determine and notify in advance to the Unitholders, and the end of the Accounting Year.
Valuation Point	means 23:59 CET on the relevant Valuation Day.
Liquidity Gate Trigger	5%.

Dilution Adjustments	Partial Swing Pricing. The Net Asset Value of the Sub-Fund may, on any Valuation Day, be adjusted upwards or downwards by a maximum of 1,5% (the "**Swing Factor**") in accordance with the section of the Investment Conditions titled Swing Pricing, to reflect the costs attributable to Net Subscription or Net Redemption applications received in relation to the Sub-Fund. The Swing Factor may be applied only on Valuation Days on which the aggregate net investor transactions in the Sub-Fund (Net Subscriptions or Net Redemptions) exceed 5% of the Net Asset Value of the Sub-Fund (the "**Swing Threshold**").

7 Fees & expenses

Establishment and Operational Fees and Expenses	The Management Company shall be entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties.
Management Fee	The Management Company is entitled to a management fee for asset management and distribution (the "**Management Fee**") payable out of the Sub-Fund as outlined in Section 8. The Management Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation Fee and the Management Fee) and debited from the assets of each Class monthly. The Management Company shall, from the Management Fee payable to it, pay the fees and bear the costs and out-of-pocket expenses for the services provided by the Investment Manager, any sub-distributor and any other delegate appointed by the Management Company in respect of the UCITS in the performance of their tasks in respect of the UCITS.
Performance Fee	Not applicable.
Subscription Fee	None.
Redemption Fee	Max. 2%.
Retrocession Payments	When permitted in respect of a particular Class as outlined in Section 8, the Management Company may, in its discretion, pay any portion of the Management Fee to any third-party in any manner whatsoever, whether by rebate or otherwise.
Operation Fee	The Management Company's operation fee for the management and administration of the Sub-Fund (the "**Operation Fee**") payable out of the Sub-Fund is outlined in Section 8. The Operation Fee will be calculated on each Valuation Day on the basis of the Net Asset Value per Class (before debiting the Operation and Management Fee) and debited from the assets of each Class monthly.

This Operation Fee includes the Management Company fee and the fees of the Depositary and Administrator, as further described below.

Fees of the Management Company

The Management Company shall be entitled to an annual compensation for acting as Management Company of the UCITS.

Fees of the Depositary and Administrator

The Management Company shall pay the fees and bear the costs and out-of-pocket expenses of the services provided by the Depositary and the Administrator in the performance of their tasks in respect of the Sub-Fund.

The Depositary is entitled to fees for its depositary services which will be paid out of the Operation Fee. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Sub-Fund. The fees of any such sub-custodian shall be at normal commercial rates.

The Administrator is entitled to fees for its administration services which will be paid out of the Operation Fee. The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Sub-Fund.

8 Classes of the Sub-Fund

Unit Classes open to all investors:

Unit Class	ISIN	Class Currency	Class Hedging	Dividend Policy	Minimum Initial Investment Amount[1]	Minimum Additional Investment Amount	Minimum Unitholding Amount[1]	Max. Operation Fee Rate	Max. Management Fee Rate	Retrocession Payments	Initial Issue Price	Initial Subscription Day
(USD) A	LI1297120324	USD	No	Distributing	1 Unit	0.001 Unit	1 Unit	0.12%	0.50%	Permitted	881.23	30.11.2023

[1] Denominated in Class Currency.