

# SEVEN UCITS

Variable capital investment company

## **PROSPECTUS**

10 September 2025

Subscriptions may only be made on the basis of this prospectus ("Prospectus"), which includes information on each sub-fund, and on the basis of the key information document ("KID"). The Prospectus may only be distributed together with the latest annual report and the latest half-yearly report, if the latter is more recent than the annual report.

The fact that the SICAV is included on the official list drawn up by the Commission de Surveillance du Secteur Financier ("CSSF") must not, under any circumstances and in any form whatsoever, be considered as a positive assessment by the CSSF of the quality of the shares offered for subscription. Any claim to the contrary is unauthorised and illegal.

No person may refer to any information other than that contained in the Prospectus and in the documents referred to therein.

**SEVEN UCITS**

Variable capital investment company  
R.C.S. Luxembourg No. B 196158

<b>Registered office</b>	14, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Board of Directors</b>	
<b>Chair</b>	<b>Johann SCHWIMANN</b> Chair, SEVEN CAPITAL MANAGEMENT
<b>Directors</b>	<b>Louis-Grégoire LOGRE</b> Independent Director  <b>Renaud LABBE</b> Managing Director, SEVEN CAPITAL MANAGEMENT
<b>Management Company</b>	<b>SEVEN CAPITAL MANAGEMENT</b> 39, Rue Marbeuf 75008 Paris France
<b>Directors of the Management Company</b>	<b>Johann SCHWIMANN</b> Chair  <b>Renaud LABBE</b> Managing Director
<b>Custodian Bank</b>	<b>Banque de Luxembourg</b> 14, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Administrative Agent, Transfer Agent and Registrar</b>	<b>UI efa S.A.</b> 2, Rue d'Alsace L-1122 Luxembourg Grand Duchy of Luxembourg
<b>Domiciliary Agent</b>	<b>Banque de Luxembourg</b> 14, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Global Distributor</b>	<b>SEVEN CAPITAL MANAGEMENT</b> 39, Rue Marbeuf 75008 Paris France
<b>Auditor</b>	<b>DELOITTE AUDIT S.a. r.l.</b> 20, Boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg

## DISCLAIMER

**SEVEN UCITS** (hereinafter, the "SICAV") is registered on the official list of Undertakings for Collective Investment ("UCIs") in accordance with the law of 17 December 2010 on UCIs and its amendments (hereinafter, the "Law of 2010").

The Board of Directors of the SICAV (the "Board of Directors") has taken all possible care to ensure that the facts stated in the Prospectus are true and accurate and that there are no material facts the omission of which could make any of the statements herein incorrect.

The Board of Directors accepts responsibility for the accuracy of the information contained in the Prospectus at the date of publication. Consequently, any information or assertion not contained in the Prospectus, in the appendices to the Prospectus where applicable, or in the reports that form an integral part thereof, must be considered unauthorised.

This Prospectus may be updated from time to time. Potential subscribers are therefore advised to ask the SICAV whether a more recent prospectus has been published.

The SICAV is authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") in Luxembourg. The Prospectus may not be used for the purposes of a public offer or solicitation of sale in any other jurisdiction or in any circumstances where such an offer or solicitation is not authorised. Any potential subscriber of shares who receives a copy of the Prospectus or the subscription form in a jurisdiction other than those described above may not consider these documents as an invitation to purchase or subscribe for the shares, unless in such jurisdiction such an invitation may be made in full legality, without registration or other requirements, or unless such person complies with the legislation in force in the jurisdiction concerned, obtains all governmental or other authorisations required, and submits to all applicable formalities, as the case may be. Before subscribing, it is necessary to check in which country or countries the SICAV is registered and, more specifically, which sub-funds, categories or classes of shares are authorised to be marketed, as well as any legal constraints and exchange restrictions relating to the subscription, purchase, possession or sale of shares in the SICAV.

### Specific information for US nationals

The Company is not authorised under the United States Investment Company Act of 1940, as amended, or under any similar or analogous regulations of any other jurisdiction, except as described in this Prospectus. Nor have the shares been authorised under the United States Securities Act of 1933, as amended, or any similar legislation in any other jurisdiction, except as described in this Prospectus. The shares cannot and will not be offered for sale, sold, transferred or delivered in the United States of America, its territories and possessions, or to "Nationals of the United States of America", except in transactions that do not violate applicable law.

For the purposes of this Prospectus, the term "Regulation S US Resident" should be understood to include the persons referred to in Regulation S of the Securities Act and means, in particular, any natural person resident in the United States and any legal person (partnership, corporation, limited liability company or similar entity) or other entity created or organised under the laws of the United States (including any estate of such person created in the United States or organised under the laws of the United States or any investor acting on behalf of such persons).

Investors are required to notify the SICAV immediately if they are (or, where applicable, have become) US Regulation S Residents. If the SICAV becomes aware that an investor is a US Regulation S resident, it has the right to compulsorily redeem the shares concerned, in accordance with the provisions of the Articles of Association and this Prospectus.

Investors are required to notify the SICAV and/or the Registrar (i) if they become unauthorised persons, or (ii) if they hold shares in the SICAV in breach of legal/regulatory provisions, the Prospectus or the SICAV's Articles of Association, or (iii) of any circumstances which may have tax or legal/regulatory consequences for the SICAV or shareholders, or which may otherwise be unfavourable to the interests of the SICAV or other shareholders.

The SICAV draws investors' attention to the fact that any investor will only be able to fully exercise his rights as an investor directly against the SICAV, in particular the right to participate in general meetings of shareholders, if the investor appears himself and in his own name in the SICAV's register of shareholders. Where an investor invests in the SICAV through an intermediary who invests in the SICAV in his own name but on behalf of the investor, certain rights attached to the status of shareholder may not necessarily be exercised by the investor directly vis-à-vis the SICAV. Investors are advised to inform themselves of their rights.

Investments in the SICAV involve risks, including those associated with equity and bond markets, currency exchange rates and interest rate volatility. No assurance can be given that the SICAV will achieve its objectives. The value of the SICAV's capital and income from investments is subject to change and investors may not recover the amount initially invested. Furthermore, past performance is no guarantee of future results.

Before investing in the SICAV or if in doubt about the risks associated with an investment in the SICAV or the suitability of a sub-fund to the investor's risk profile in the light of his personal circumstances, investors are invited to consult their own financial, legal and tax advisers to determine whether an investment in the SICAV is suitable for them and to seek their assistance in order to be fully informed of any legal or tax consequences, or any consequences relating to restrictions or exchange controls to which the subscription, holding, redemption, conversion or transfer of shares may give rise under the laws in force in the countries of residence, domicile or establishment of such persons.

Any reference in the Prospectus to:

- "Euro" or "EUR" refers to the currency of the European Union member states participating in the single currency;
- "USD" refers to the legal tender currency of the United States of America;
- "CHF" refers to the currency that is legal tender in Switzerland;

- "Business day" refers to each day of the week on which banks are open throughout the day in Luxembourg.

Copies of the Prospectus are available on the above terms at the registered office of the SICAV.

### Processing of personal data

In accordance with EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC and any implementing legislation (referred to as the "**General Data Protection Regulation**"), the personal data of investors (including potential investors) and other natural persons (including, but not limited to, directors, officers, agents and other representatives or employees of investors) (hereinafter referred to as the "**Data Subjects**") whose personal information collected and provided to the SICAV and the Management Company in connection with the investor's investment in the SICAV may be stored on computer systems electronically or by other means and processed by the SICAV and the Management Company as data controller and may be processed in certain circumstances by third-party service providers acting as their delegates as central administration or as a sub-contractor of the SICAV and the Management Company.

In certain circumstances, the SICAV's processors acting as data controller may also act as data controller if and when they process personal data in order to comply with their own legal and regulatory obligations (in particular as part of their own AML and KYC processes).

The SICAV and the Management Company are committed to protecting the personal data of Data Subjects and have taken all necessary measures to ensure compliance with the **General Data Protection Regulation** in respect of personal data processed by them in connection with investments made in the SICAV.

This includes (but is not limited to) actions required in relation to: information about the processing of your personal data and, where applicable, consent mechanisms; procedures for responding to requests to exercise individual rights; contractual arrangements with suppliers and other third parties; security measures; arrangements for data transfers abroad and retention and reporting policies and procedures.

Personal data will have the meaning given in the General Data Protection Regulation and includes (but is not limited to) any information relating to an identified or identifiable person, such as the name, address, amount invested by the investor, the names of the investor's individual representatives and the name of the ultimate beneficial owner, if any, and the bank details of that investor.

Personal data will be processed in order to facilitate investments in the SICAV and its day-to-day management and administration such as the processing of subscriptions, redemptions and conversions or the sending of e-mails to Data Subjects and will also be processed in accordance with the legal requirements of Belgian law (such as the legislation applicable to undertakings for collective investment and company law, the prevention of the financing of terrorism and anti-money laundering legislation, criminal law, tax law) and any other laws and regulations as may be issued by the competent European authorities, if necessary to defend the legitimate interests of the Company or its subcontractors.

Personal data provided directly by Data Subjects as part of their relationship with the SICAV, in particular their correspondence and conversations with the SICAV, or those of their sub-contractors, may be recorded and processed in accordance with the General Data Protection Regulation.

The SICAV or its sub-contractors may communicate personal data to their subsidiaries and other entities which may be located outside the EEA. In this case, they will ensure that personal data is protected by appropriate safeguards.

Personal data may also be communicated, in exceptional circumstances, to any court and/or legal, regulatory, fiscal or governmental authority in different jurisdictions insofar as required by the law or regulations in force.

In accordance with the General Data Protection Regulation, Data Subjects have certain rights, including the right to access their personal data, the right to have incomplete or inaccurate personal data rectified, the right to object to and restrict the use of personal data, the right to request the deletion of their personal data, the right to receive their personal data in a structured, commonly used and computer-readable format and to transmit it to another controller. Data Subjects may address any request to the registered office of the SICAV.

Data Subjects have the right to submit requests or register a complaint concerning the processing of their personal data with the competent data protection authority.

Personal data is kept for no longer than is necessary for the purposes for which it is processed.

When subscribing for shares, each investor will be informed of the processing of his personal data (or, where the investor is a legal entity, of the processing of the personal data of that investor's individual representatives and/or ultimate beneficial owners) by means of an information notice on data confidentiality for investors which will be attached to the application form provided by the SICAV to investors). This investor privacy information notice will inform investors of the processing activities undertaken by the Company [and the Management Company] and its [their] delegates in more detail.

### **Key Information Document**

Shares in the SICAV are subscribed solely on the basis of the information contained in the Prospectus and the Key Information Document (the "KID"). The KID is a pre-contractual document containing key information for investors. It includes appropriate information on the essential characteristics of each share class of the SICAV.

If you are considering subscribing for shares, you should first read the KID carefully together with the Prospectus and its appendices, if any, which include specific information on the SICAV's investment policy, and consult the SICAV's latest published annual and half-yearly reports, copies of which are available on the website <https://www.seven-cm.com/>, from local agents or from the entities marketing the SICAV's shares, if any, and may be obtained on request, free of charge, from the SICAV's registered office.

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## I. GENERAL DESCRIPTION

**SEVEN UCITS** is a Luxembourg Société d'Investissement à Capital Variable ("SICAV") with multiple sub-funds incorporated in Luxembourg on 10 April 2015 for an unlimited period in the form of a Société Anonyme.

The SICAV is subject in particular to the provisions of Part I of the Law of 2010, as well as to the law of 10 August 1915 on commercial companies, as amended.

The minimum capital of the SICAV is EUR 1,250,000 (one million two hundred and fifty thousand euros) and must be reached within six months of the date of authorisation of the SICAV. The SICAV's capital is at all times equal to the sum of the net asset value of the SICAV's sub-funds and is represented by fully paid-up shares with no par value.

Changes in capital are effected ipso jure and without the measures of publication and entry in the Luxembourg Trade and Companies Register provided for increases and decreases in the capital of sociétés anonymes.

The SICAV's Articles of Association (hereinafter the "Articles") were published in Mémorial C, Recueil des Sociétés et Associations (now Recueil Electronique des Sociétés et Associations du Luxembourg - RESA) on 17 April 2015 and have been filed with the Luxembourg Trade and Companies Registry. They can be consulted electronically on the website of the Luxembourg Trade and Companies Register ([www.rcsl.lu](http://www.rcsl.lu)). Copies of the Articles of Association are also available, on request and free of charge, from the SICAV's registered office and can be consulted on the website [www.fundsquare.com](http://www.fundsquare.com).

The SICAV is registered with the Luxembourg Trade and Companies Register under number B 196158.

The SICAV may comprise different sub-funds, each representing a specific pool of assets and liabilities and each corresponding to a distinct investment policy and a specific reference currency. Within each sub-fund, the shares may be of different share classes and, within these, of different categories.

The SICAV is therefore designed to be an umbrella fund with multiple sub-funds, enabling investors to choose the sub-fund whose investment policy best matches their objectives and sensitivities.

At the date of the Prospectus, two sub-funds are available to investors:

- SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND
- SEVEN UCITS – SEVEN FORCE 5

The Board of Directors may decide to create new sub-funds. The Prospectus will therefore be adjusted accordingly and will include detailed information on these new sub-funds, including their investment policy and sales terms and conditions.

Within each sub-fund, the Board of Directors may decide at any time to issue different classes of shares ("share classes" or "classes") whose assets will be jointly invested in accordance with the specific investment policy of the sub-fund in question, but will be subject to a specific fee structure or will have other distinctive features specific to each class.

In the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund, shares are available in six share classes which will differ according to the type of investor, and/or the minimum investment amount, and/or the accounting currency, and/or the applicable management and marketing fee and/or the hedging policy, where applicable (see Chapter IV "Shares" and Chapter VIII "Charges and Fees"):

- "EUR-I (cap)" class denominated in EUR and intended for institutional investors;
- "EUR-R (cap)" class denominated in EUR and intended for all types of investors;
- "USD-I (cap)" class denominated in USD and intended for institutional investors;
- "USD-R (cap)" denominated in USD and intended for all types of investors;
- "CHF-I (cap)" class denominated in CHF and intended for institutional investors;
- "CHF-R (cap)" class denominated in CHF and intended for all types of investors.

The assets of these six share classes are jointly invested in accordance with the investment policy of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund.

The full definition of these share classes is given in Chapter IV "Shares", section 2. "Characteristics of the shares", point a) "Classes and categories of shares".

In the **SEVEN UCITS – SEVEN FORCE 5** sub-fund, shares are available in six share classes which will differ according to the type of investor, and/or the minimum investment amount, and/or the accounting currency, and/or the applicable management and sales fee and/or the hedging policy, where applicable (see Chapter IV "The Shares" and Chapter VIII "Charges and Fees"):

- "EUR-I (cap)" class denominated in EUR and intended for institutional investors;
- "EUR-R (cap)" class denominated in EUR and intended for all types of investors;
- "USD-I (cap)" class denominated in USD and intended for institutional investors;
- "USD-R (cap)" denominated in USD and intended for all types of investors;
- "CHF-I (cap)" class denominated in CHF and intended for institutional investors;
- "CHF-R (cap)" class denominated in CHF and intended for all types of investors.

The assets of these six share classes are jointly invested in accordance with the investment policy of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund.

The full definition of these share classes is given in Chapter IV "Shares", section 2. "Characteristics of the shares", point a) "Classes and categories of shares".

In each sub-fund and/or share class, the Board of Directors may also decide to issue at any time two categories of shares ("share categories" or "categories") which will differ according to their distribution policy:

- the "distribution shares" category, corresponding to distribution shares that will entitle their holders to a dividend;
- the "accumulation shares" category, corresponding to accumulation shares that will not give entitlement to the payment of a dividend.

The amount of the SICAV's share capital shall at all times be equal to the value of the net assets of all the sub-funds combined. The share capital of the SICAV will be expressed in euros.

Each shareholder may request the redemption of his shares by the SICAV, in accordance with the terms and conditions described below in section 4 of Chapter IV "The Shares". "Share redemption".

With respect to third parties, the SICAV constitutes a single legal entity. The assets of a given sub-fund are only liable for the debts, commitments and obligations of that sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

## II. MANAGEMENT AND ADMINISTRATION

### 1. BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers to act in all circumstances on behalf of the SICAV, subject to the powers expressly attributed by Luxembourg law to the General Meeting of Shareholders.

The Board of Directors is responsible for the administration and management of the assets of each sub-fund of the SICAV. It may carry out all acts of management and administration on behalf of the SICAV, in particular the purchase, sale, subscription or exchange of all transferable securities and exercise all rights attached directly or indirectly to the assets of the SICAV.

### 2. MANAGEMENT COMPANY:

The Board of Directors has appointed, under its responsibility and control, **SEVEN CAPITAL MANAGEMENT** as the SICAV's management company (hereinafter the "**Management Company**").

On 10 April 2015, the Company entered into an agreement for an indefinite period with SEVEN CAPITAL MANAGEMENT.

The services provided by the Management Company include the management of the Company's portfolios, the administration of the Company and the marketing of the SICAV's shares, all under the permanent supervision of the Company's Board of Directors.

The Management Company is responsible for the day-to-day operations of the SICAV.

The Management Company has been authorised to delegate its functions to third parties under its own responsibility. It has delegated the functions of Administrative Agent, Transfer Agent and Registrar as more fully described below.

The Management Company must always act in the interests of the SICAV's shareholders and in accordance with the provisions of the Law of 2010, this Prospectus and the SICAV's Articles of Association.

**SEVEN CAPITAL MANAGEMENT** is a société par actions simplifiée (simplified joint stock company) under French law, approved by the Autorité des Marchés Financiers on 13 December 2006 (No. GP 06000045). Its registered office is at 39, Rue Marbeuf - 75008 Paris - France. Its subscribed and paid-up share capital is EUR 560,000. Its main activity is portfolio management.

The Management Company's remuneration policy is compatible with sound and effective risk management and does not encourage risk-taking that is incompatible with the risk profiles, regulations or constitutive documents of the UCITS managed by the Management Company.

The remuneration policy is consistent with the economic strategy, objectives, values and interests of the Management Company and the UCITS it manages and those of the investors in these UCITS, and includes measures to avoid conflicts of interest.

The remuneration policy has been put in place in order to:

- actively support the strategy and objectives of the Management Company;
- support the competitiveness of the Management Company in the market in which it operates;
- ensure the attractiveness, development and retention of motivated and skilled employees.

Where remuneration varies according to performance, the total amount is determined by combining the assessment of the performance and risks of the individual and the business unit or UCITS concerned with the overall results of the management company when assessing individual performance, taking into account financial and non-financial criteria.

The performance is assessed within a multi-year framework adapted to the holding period recommended to investors in the UCI managed by the Management Company, in order to ensure that it relates to the long-term performance of the UCI and its investment risks, and that the actual payment of the components of the remuneration which depend on performance is spread over the same period.

Management Company employees are offered an attractive, market-based salary package, including a fixed salary as part of this package. In addition, an appropriate balance is struck between the fixed and variable components of total remuneration, with the fixed component representing a sufficiently high proportion of total remuneration to allow a fully flexible policy to be exercised with regard to the variable components of remuneration, including the possibility of paying no variable component at all.

The principles of the remuneration policy are reviewed on a regular basis and adapted in line with regulatory developments. The remuneration policy has been approved by the Directors of the Management Company.

Details of the remuneration policy are available on the following website: <http://www.seven-cm.com/autres-pages/obligations-reglementaires.html>

A printed copy of this remuneration policy is available free of charge on request.

### **3. CUSTODIAN BANK AND PAYING AGENT**

Pursuant to a custodian agreement between the SICAV, the Management Company and Banque de Luxembourg ("Custodian Agreement"), the latter has been appointed as custodian of the SICAV ("Custodian") for (i) the safekeeping of the assets of the SICAV (ii) cash monitoring, (iii) control functions and (iv) such other services as may be agreed at any time and reflected in the Custodian Agreement.

The Custodian is a credit institution established in Luxembourg, whose registered office is located at 14, boulevard Royal, L-2449 Luxembourg, and which is registered with the Luxembourg Trade and Companies Register under number B 5310. The Custodian is authorised to carry out banking activities under the terms of the Luxembourg Law of 5 April 1993 on the financial sector, as amended, including, inter alia, custody, fund administration and related services.

### Tasks of the Custodian

The Custodian is responsible for the safekeeping of the SICAV's assets. Financial instruments which may be held in custody in accordance with article 22.5 (a) of Directive 2009/65/EC as amended ("Custodian Assets") may be held either directly by the Custodian or, to the extent permitted by applicable laws and regulations, by other credit institutions or financial intermediaries acting as its correspondents, sub-custodian banks, nominees, agents or delegates. The Custodian also ensures that the SICAV's cash flows are properly monitored.

In addition, the Custodian must:

- (i) ensure that the sale, issue, redemption and cancellation of the SICAV's shares are carried out in accordance with the Law of 2010 and the Articles of Association;
- (ii) ensure that the value of the SICAV's shares is calculated in accordance with the Law of 2010 and the Articles of Association;
- (iii) carry out the SICAV's instructions, unless they are contrary to the Law of 2010 or the Articles of Association;
- (iv) ensure that, in transactions involving the SICAV's assets, the counterparty is remitted to the SICAV within the usual time limits;
- (v) ensure that the SICAV's income is used in accordance with the Law of 2010 and the Articles of Association.

### Delegation of functions

In accordance with the provisions of the Law of 2010 and the Custodian Agreement, the Custodian may delegate the safekeeping of the SICAV's Custodian Assets to one or more delegated third parties appointed by the Custodian.

In the event of delegation, the Custodian will exercise care and diligence in the selection, appointment and monitoring of delegated third parties to ensure that each delegated third party meets the requirements of the Law of 2010. The Custodian's liability shall not be affected by the fact that it has entrusted all or part of the SICAV's assets in its custody to these delegated third parties.

In the event of the loss of a Custodian Asset, the Custodian shall return an identical type of financial instrument or the corresponding amount to the SICAV without unnecessary delay, unless such loss is the result of an external event beyond the reasonable control of the Custodian, the consequences of which would have been unavoidable despite all reasonable efforts to avoid them.

Under the Law of 2010, where the law of a third country requires certain of the SICAV's financial instruments to be held in custody by a local entity and there is no local entity in that third country that is subject to effective prudential regulation and supervision (including capital requirements), the delegation of the tasks of custody of these financial instruments to such a local entity is subject to (i) an instruction by the SICAV to the attention of the Custodian to delegate the custody of these financial instruments to such a local entity, and (ii) the condition that the SICAV's investors are duly informed, prior to their investment, of the fact that this delegation is made necessary by the legal constraints of the legislation of the third country, as well as of the circumstances justifying the delegation and the risks inherent in this delegation. It is the responsibility of the SICAV and/or the Management Company to fulfil condition (ii) above, it being understood that the Custodian may validly refuse to accept the financial instruments concerned for safekeeping pending receipt of both the instruction referred to in point (i) above and written confirmation from the SICAV and/or the Management Company that condition (ii) above has been fulfilled.

### Conflicts of interest

In performing its duties and obligations as custodian of the SICAV, the Custodian shall act honestly, loyally, professionally and independently, in the sole interest of the SICAV and its investors.

As a full-service bank, the Custodian is authorised to provide the SICAV, directly or indirectly, through parties linked or not to the Custodian, with a wide range of banking services in addition to its custodian services.

The provision of additional banking services and/or links between the Custodian and the SICAV's key service providers may lead to potential conflicts of interest with the Custodian's duties and obligations towards the SICAV. Such potential conflicts of interest may arise in particular from the following situations:

- members of the Custodian's staff may be members of the SICAV's Board of Directors;
- members of the Custodian's staff may be members of the Board of Directors of UI efa S.A.;
- the Custodian delegates custody of the SICAV's financial instruments to a number of sub-custodians;
- the Custodian may provide additional banking services beyond custody services and/or act as the SICAV's counterparty for OTC derivative transactions.

The following conditions should make it possible to mitigate the risk of occurrence and the impact of conflicts of interest that may arise from the above-mentioned situations.

The process of selecting and monitoring sub-custodians is carried out in accordance with the Law of 2010 and is functionally and hierarchically separate from any other business relationships that go beyond the sub-custody of the SICAV's financial instruments and that could bias the performance of the Custodian selection and monitoring process.

The provision of additional banking services by the Custodian to the SICAV complies with the applicable legal and regulatory provisions and rules of conduct (including best execution policies) and the execution of such additional banking services and the Custodian's duties are separated, both functionally and hierarchically.

If, despite the aforementioned conditions, a conflict of interest arises at the level of the Custodian, the Custodian shall at all times comply with its duties and obligations under the Custodian Agreement entered into with the SICAV and shall act accordingly. If, despite all the measures taken, the Custodian, having regard to its duties and obligations under the Custodian Agreement entered into with the SICAV, is unable to resolve a conflict of interest that is likely to have a significant and negative impact on the SICAV or its investors, it will notify the SICAV, which will adopt the appropriate measures.

As the financial landscape and organisational structure of the SICAV may evolve over time, the nature and scope of possible conflicts of interest and the conditions under which conflicts of interest may arise at the level of the Custodian may also evolve.



In the event that the organisational structure of the SICAV or the scope of the custodian services provided to the SICAV undergoes a material change, such change shall be subject to the assessment and approval of the Custodian's internal acceptance committee. The Custodian's internal acceptance committee will, inter alia, assess the impact of such changes on the nature and extent of any conflicts of interest with the Custodian's duties and obligations to the SICAV and assess any mitigating measures that may be required.

### **Miscellaneous**

The Custodian or the SICAV may terminate the Custodian Agreement at any time by giving at least three (3) months' written notice (or sooner in the event of certain breaches of the Custodian Agreement, including the insolvency of one of the parties to the Custodian Agreement). With effect from the date of termination, the Custodian will no longer act as custodian of the SICAV within the meaning of the Law of 2010 and will therefore no longer assume any of the duties and obligations and will no longer be subject to the liability regime imposed by the Law of 2010 in respect of the services it provides after the date of termination.

Updated information on the list of delegated third parties will be made available to investors at <http://www.banquedeluxembourg.com/fr/bank/corporate/informations-legales>.

The Custodian will carry out the obligations and duties prescribed by the Law of 2010 and the applicable regulatory provisions.

The Custodian has no decision-making powers and is under no obligation to advise on the organisation or investments of the SICAV. The Custodian is a service provider to the SICAV and is not responsible for the preparation or content of this prospectus and, accordingly, does not accept responsibility for the accuracy and completeness of the information contained herein or for the validity of the SICAV's structure and investments.

Investors are informed that Banque de Luxembourg, acting as custodian and principal paying agent of the SICAV, is authorised to receive in Luxembourg information concerning the SICAV, including information concerning shareholders (such as their name, shareholding and address).

Investors are invited to consult the Custodian Agreement for a better understanding of the limitations of the Custodian's duties and responsibilities.

### **4. HEAD OFFICE**

The Management Company has delegated the performance of the tasks relating to the central administration of the SICAV to UI efa S.A. (hereinafter, the "Central Administration") under the terms of a central administration agreement entered into between the Management Company, UI efa S.A. and the SICAV for an indefinite period on 21 March 2025, with an effective date of 1 April 2025.

Under the terms of this agreement, UI efa S.A. acts as the SICAV's Administrative Agent, Transfer Agent and Registrar and Communications Agent.

In its role as Administrative Agent, UI efa S.A. assumes the functions required by Luxembourg law, such as keeping the SICAV's accounts and regularly calculating the net asset value per share of each sub-fund and/or each class/category, where applicable.

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In its role as Transfer Agent and Registrar, UI efa S.A. performs the functions required by Luxembourg law, such as executing subscription, redemption and conversion orders and maintaining the register of shareholders.

In its role as Communications Agent, UI efa S.A. is responsible for the production and transmission of confidential documents (to the extent that they are relevant) to investors.

By giving three months' written notice, the SICAV may terminate the functions of UI efa S.A. acting as Central Administration and UI efa S.A. may terminate its own functions under the same conditions.

### **5. DOMICILIARY AGENT**

Banque de Luxembourg also acts as the SICAV's Domiciliary Agent under the terms of a domiciliation agreement entered into between Banque de Luxembourg and the SICAV for an indefinite period ("Domiciliation Agreement").

In its capacity as Domiciliary Agent, Banque de Luxembourg allows the SICAV to have its registered office on its premises and provides it with various secretarial services related to domiciliation, as described in the Domiciliation Agreement.

Upon six months' written notice, the SICAV may terminate the duties of Banque de Luxembourg acting as Domiciliary Agent and the latter may terminate its own duties under the same conditions.

### **6. CONTROL OF THE SICAV'S OPERATIONS**

**DELOITTE AUDIT S.à r.l.**, in its capacity as auditor of the SICAV, is responsible for auditing the SICAV's accounts and annual reports.

### **7. CONFLICTS OF INTEREST**

The Management Company, the Domiciliary Agent, the Administrative Agent and the Custodian or its delegate may, from time to time, act as another collective investment scheme management company, Domiciliary Agent, Administrative Agent or Custodian, or otherwise be involved in other collective investment schemes or undertakings for collective investment which have investment objectives similar to those of the SICAV or any sub-fund.

It is therefore possible that one of them could, in the normal course of their activities, have a potential conflict of interest with the SICAV or any sub-fund. In this case, each of them must at all times take into account its obligations under the agreements to which it is a party or by which it is bound in relation to the SICAV or any sub-fund.

In particular, but without limiting its obligations to act in the best interests of shareholders when undertaking transactions or investments where conflicts of interest may arise, each will endeavour to ensure that such conflicts are resolved fairly.

The SICAV is not prohibited from entering into transactions with the Management Company, the Domiciliary Agent, the Administrative Agent and the Custodian or any of their subsidiaries, provided that such transactions are carried out on normal commercial terms and on terms no less favourable to the SICAV than could reasonably have been obtained had such transactions been carried out with an independent party in compliance with the applicable laws.

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The risk of conflicts of interest arising and their impact are further mitigated by the fact that, with the exception of a specific class of financial instruments, none of the sub-custodians used by the Custodian for the safekeeping of the SICAV's financial instruments is part of the *CM AM (Crédit Mutuel Asset Management) Group*. The exception is for units held by the SICAV in French investment funds where, for operational reasons, transactions are processed by *Banque Fédérative du Crédit Mutuel en France ("BFCM")* as a specialised intermediary and custody is delegated to it.

### III. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

#### 1. GENERAL PROVISIONS

##### a) Objectives of the SICAV

The SICAV's main objective is to achieve medium-term growth in the assets of each sub-fund, while incorporating non-financial criteria (Environment, Social, Governance, External Stakeholders) into the selection and analysis process.

The SICAV's objective is to offer shareholders active professional management of diversified portfolios of eligible financial assets. The portfolio of each sub-fund is managed in accordance with its investment policy defined in section 2. the sub-funds' investment objectives and policies, risk profile and investor profile are described in the section entitled "Investment objectives and policies, risk profile and investor profile of the various sub-funds".

##### b) Investment policy of the SICAV

The SICAV aims to achieve this objective mainly through the active management of portfolios of eligible financial assets, subject to exclusion on the basis of non-financial criteria. Subject to the conditions and limits set out in sections 3 to 5 below, and in accordance with the investment policy of each sub-fund as defined below, eligible financial assets may consist in particular of transferable securities, money market instruments, shares/units in UCITS and/or UCIs, bank deposits and/or derivatives, without, however, excluding other types of eligible financial assets.

Each sub-fund may (a) invest in derivatives both to achieve its investment objectives and for hedging and efficient portfolio management purposes, and (b) use techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes, under the conditions and within the limits laid down by law, regulation and administrative practice, subject to the restrictions set out in sections 2 to 5 below.

Each sub-fund of the SICAV will have a different investment policy in terms of the type and proportion of eligible financial assets and/or in terms of geographical, industrial or sector diversification.

Each sub-fund of the SICAV will integrate environmental, social and governance (ESG) criteria using the following best-in-class approach:

- Analysis and monitoring of the controversies surrounding the companies in the investment universe, resulting in a score of 1 (mild controversy) to 5 (severe controversy). Issuers with a controversy rating of 5 will be excluded from the integration of non-financial criteria.
- An ESG assessment based on a combination of research by GAIA Research (EthiFinance) and Inrate, focusing on 4 themes (Environment, Social, Governance and External Stakeholders), resulting in a score out of 100. By way of example, the following themes will be assessed:

- Governance: relations with shareholders, operation of governance bodies, CSR policy and conduct of business, etc
  - Social: characteristics and social policy, working conditions, skills development, equal opportunities, health and safety....
  - Environment: energy and greenhouse gases (GHG), environmental policy and management system, treatment of water, waste and hazardous substances, etc.
  - External stakeholders: relations with suppliers, relations with customers and responsibility..
- An ESG analysis based on Inrate research of sovereign issuers, leading to a score out of 100, based on the E, S and G themes. By way of example, the following issuers are assessed within these themes:
    - Environmental: air pollution, biodiversity and natural resources, multilateral environmental agreements, etc.
    - Social: standard of living, level of education, equal opportunities, intergenerational justice, health, safety, etc.
    - Governance: human rights, democracy, governance and the rule of law, corruption, stability, international cooperation, etc.

Attention is drawn to the methodological limitations of incorporating non-financial criteria based on a combined rating from GAIA Research and Inrate. As the two frameworks cover different types of issuers, their methodologies and evaluation criteria may differ. Ethifinance is therefore equalising its ratings in order to harmonise them and integrate them into a common reference framework.

In addition, the inclusion of non-financial criteria depends on the level of transparency of companies. The provision of incomplete information by the latter is therefore a methodological limitation to be considered.

Under the conditions laid down in the Law of 2010, the applicable Luxembourg regulations and the Prospectus, the SICAV may create a sub-fund qualified as a feeder UCITS or a master UCITS within the meaning of the Law of 2010, convert one or more existing sub-funds into feeder UCITS or master UCITS sub-funds and replace the master UCITS of one of its feeder UCITS sub-funds.

Under the conditions laid down in the Law of 2010, in the applicable Luxembourg regulations and in the Prospectus, the SICAV may provide that a sub-fund may subscribe to, acquire and/or hold shares to be issued or issued by one or more sub-funds of the SICAV up to a limit of 10% in accordance with point 8 of article 181 of the Law of 2010.

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**c) Benchmark indices**

As at the date of this prospectus, the directors of the indices used as benchmarks by the SICAV are listed on the ESMA register, in accordance with the provisions of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and contracts or to measure the performance of investment funds (the "Benchmark Regulation"), as follows:

Benchmark index	Director	Entered in the registers
€STR	European Central Bank	N/A
EURO STOXX 50 NET RETURN	STOXX	Yes
STOXX EUROPE 600	STOXX	Yes
S&P 500	S&P Dow Jones Indices LLC	Yes
HICP (Harmonized Index of customer prices)	Eurostat	N/A

In accordance with the provisions of Article 28-2 of the Benchmark Regulation, the Management Company has produced and maintains a robust plan detailing the actions to be taken in the event of a material change to a benchmark index or when an index ceases to be supplied. The plan is available free of charge on request from the registered office of the management company.

**d) Risk profile of the SICAV**

The risks specific to each sub-fund and their management objective are described in greater detail in the investment policy for each sub-fund.

The assets of each sub-fund are subject to fluctuations in the financial markets and to the risks inherent in any investment in financial assets.

No guarantee can be given that the SICAV's objective will be achieved and that investors will recover the amount of their initial investment.

However, the conditions and limits set out in sections 3 to 5 below are designed to ensure portfolio diversification in order to manage and limit these risks without, however, excluding them.

Investments made by the SICAV in the shares/units of UCIs expose the SICAV to the risks associated with the financial instruments held in the portfolios of these UCIs. However, certain risks are specific to the SICAV's holding of shares/units in UCIs. Some UCIs may use leverage, either through the use of derivatives or through borrowing. The use of leverage increases the price volatility of these funds and therefore the risk of capital loss. Investments made in shares/units of UCIs may also present a greater liquidity risk than a direct investment in a portfolio of transferable securities. On the other hand, investing in shares/units of UCIs gives the SICAV flexible and effective access to different professional management styles and investment diversification.

A sub-fund which invests mainly through UCIs shall ensure that its UCI portfolio has appropriate liquidity characteristics to enable it to meet its own redemption obligations. The selection method for target UCIs will take into account the frequency of redemptions in these UCIs and the portfolio of such a sub-fund will mainly be made up of UCIs open to redemptions at a frequency identical to that of the sub-fund concerned.

It should be noted that the activity of a UCI or sub-fund which invests in other UCIs may result in the duplication of certain costs. Any fees charged to a sub-fund of the SICAV may be doubled as a result of investment in UCIs.

The risks associated with investments in equities and other equity-linked securities include sometimes significant price fluctuations, prolonged price falls due to general economic and political conditions or the specific situation of each issuer, and even the loss of the capital invested in the financial asset in the event of issuer default (market risk).

It should be noted that certain warrants and options, while potentially offering greater gains than equities due to their leverage effect, are characterised by significantly greater price volatility compared with the price of the underlying financial asset or index. These instruments may also lose all their value.

Convertible bond investments are sensitive to fluctuations in the price of the underlying shares ("equity component" of the convertible bond) while offering some form of capital protection ("bond floor" of the convertible bond). The higher the equity component, the lower the capital protection. As a corollary, a convertible bond that has experienced a significant increase in its market value as a result of a rise in the price of the underlying share will have a risk profile closer to that of an equity. On the other hand, a convertible bond that has seen its market value fall to the level of its bond floor following a fall in the price of the underlying share will, from that level onwards, have a risk profile close to that of a conventional bond.

Convertible bonds, like other types of bonds, are subject to the risk that the issuer will not be able to meet its obligations in terms of interest payments and/or repayment of principal at maturity (credit risk). The market's perception of the increased probability of this risk occurring for a given issuer leads to a sometimes significant fall in the bond's market value and therefore in the protection offered by the bond content of the convertible bond. Bonds are also exposed to the risk of a fall in their market value following an increase in benchmark interest rates (interest rate risk).

Investments made in a currency other than the reference currency of the sub-fund/share class concerned present a currency risk: at a constant price, the market value of an investment denominated in a currency other than that of a given sub-fund/share class, expressed in the currency of the sub-fund/share class concerned, may decrease as a result of an unfavourable movement in the exchange rate between the two currencies.

Investments in emerging markets and smaller companies may be less liquid and more volatile than investments in traditional markets and larger companies.

During periods of political instability, monetary crises (particularly credit crises) and economic crises, financial markets are generally characterised by a sharp fall in market values, increased price volatility and a deterioration in liquidity conditions. This increased volatility and deterioration in liquidity conditions will generally affect emerging markets, financial assets issued by small companies and small bond issues in particular. In the event of such exceptional events, the SICAV may have to sell assets at a price that does not reflect their intrinsic value (liquidity risk) and investors may incur the risk of high losses.

Investors wishing to know the historical performance of the active sub-funds are invited to consult the KIDs. Investors' attention is drawn to the fact that this data is in no way an indicator of the future performance of the SICAV's various sub-funds.

The investment objectives and policies determined by the Board of Directors, as well as the risk profile and typical investor profile, are described for each sub-fund in section "5. Investment objectives and policies, risk profile and investor profile of the various sub-funds".

### **Sustainability risks**

Sustainability risks are defined as an environmental, social or governance event or situation which, if it occurs, could have a material adverse effect, actual or potential, on the value of the investment. These are taken into account by assessing the non-financial criteria (ESG) of investments.

The Management Company has identified the following sustainability risks:

Environmental, social, governance and external stakeholder issues can influence the value of the investment, for example through the reputational impact of these factors, as can the occurrence of controversies.

The Management Company integrates sustainability risks into its investment process as follows.

The evaluation of non-financial criteria (ESG), the analysis and monitoring of issuer controversies and the subsequent exclusions, respectively of the 20% lowest-rated issuers in each sector on ESG criteria and issuers subject to severe controversy, is akin to taking into account the sustainability risks mentioned above.

The Management Company has carried out an assessment of the likely impact of sustainability risks on the performance of the SICAV's sub-funds. Operating exclusively in a universe of listed issuers, the impact of sustainability risks can influence the reputation of issuers and, by extension, their value and associated returns. In addition, sustainability risks are identified as factors that have an indirect, long-term influence on the value of the investment and are relevant to the SICAV's investment decision. The ESG Charter provides more details in this respect.



## 2. ELIGIBLE FINANCIAL ASSETS

The investments of the SICAV's various sub-funds must consist exclusively of:

### **Transferable securities and money market instruments**

- a) transferable securities and money market instruments listed or traded on a regulated market as recognised by its home Member State and included in the list of regulated markets published in the Official Journal of the European Union ("EU") or on its official website (hereinafter "Regulated Market");
- b) transferable securities and money market instruments traded on another regulated market of an EU Member State that operates regularly, is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or traded on another regulated market in a non-EU Member State that operates regularly, is recognised and open to the public;
- d) newly issued transferable securities and money market instruments, provided that (i) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or other regulated market that operates regularly, is recognised and open to the public, and (ii) admission is obtained no later than one year after the issue;
- e) money market instruments other than those traded on a regulated market, provided that the issue or issuer of these instruments is itself subject to regulations designed to protect investors and savings and that these instruments are:
  - issued or guaranteed by a central, regional or local authority, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third State or, in the case of a federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - issued by a company whose securities are traded on the regulated markets referred to in points a), b) and c) above; or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria defined by Community law, or by an institution which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - issued by other entities belonging to the categories approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those provided for in the first, second or third indents, and that the issuer is either a company whose capital and reserves amount to at least ten million euros (EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, or an entity which, within a group of companies including one or more listed companies, is dedicated to the financing of the group, or an entity which is dedicated to the financing of securitisation vehicles benefiting from a bank credit line.

Any sub-fund of the SICAV may also invest up to 10% of its net assets in transferable securities and money market instruments other than those referred to in points a) to e) above.

### **Units in collective investment undertakings**

- f) units of UCITS authorised in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) ("Directive 2009/65/EC") and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC, whether or not they are situated in an EU Member State, provided that:
- such other UCIs are authorised in accordance with legislation providing that they are subject to supervision which the CSSF considers equivalent to that laid down in Community legislation and that cooperation between the authorities is sufficiently guaranteed;
  - the level of protection guaranteed to unit-holders of these other UCIs is equivalent to that provided for unit-holders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the activities of these other UCIs are the subject of half-yearly and annual reports enabling an assessment to be made of the assets and liabilities, profits and operations of the period in question;
  - the proportion of the assets of the UCITS or other UCIs whose acquisition is contemplated which, in accordance with their constitutional documents, may be invested in aggregate in units of other UCITS or other UCIs does not exceed 10%.

### **Deposits with a credit institution**

- g) deposits with a credit institution which are repayable on demand or have the right to be withdrawn and have a maturity of twelve months or less, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is located in a third country, is subject to prudential rules considered by the CSSF to be equivalent to those laid down in Community legislation.

### **Financial derivative instruments**

- h) financial derivative instruments, including equivalent cash-settled instruments, which are traded on a regulated market of the type referred to in points a), b) and c) above, and/or financial derivative instruments traded over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments described in points a) to g) above, financial indices, interest rates, exchange rates or currencies, in which the SICAV may invest in accordance with its investment objectives;

- the counterparties to OTC derivative transactions are credit institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
- OTC derivatives are subject to reliable and verifiable valuation on a daily basis and may, at the SICAV's initiative, be sold, liquidated or closed out by means of an offsetting transaction at any time and at their fair value; and
- under no circumstances will these transactions cause the SICAV to deviate from its investment objectives.

In particular, the SICAV may enter into transactions involving options, futures contracts on financial instruments and options on such contracts.

The SICAV may hold cash on an ancillary basis.

### **3. INVESTMENT RESTRICTIONS**

#### **Transferable securities and money market instruments**

1. The SICAV may not invest its net assets in transferable securities and money market instruments of any single issuer in a proportion that exceeds the limits set out below, it being understood that (i) these limits are to be respected within each sub-fund and (ii) issuing companies that are grouped together for the purposes of consolidating the accounts are to be considered as a single entity for the purpose of calculating the limits described in points a) to e) below.

- a) A sub-fund may not invest more than 10% of its net assets in transferable securities and money market instruments issued by a single entity.

In addition, the total value of transferable securities and money market instruments held by the sub-fund in issuers in which it invests more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to OTC derivative transactions with such institutions.

- b) A single sub-fund may invest up to 20% of its net assets in transferable securities and money market instruments from the same group.
- c) The 10% limit referred to in point a) above may be increased to a maximum of 35% where the transferable securities and money market instruments are issued or guaranteed by an EU Member State, by its local authorities, by a non-EU Member State or by public international bodies of which one or more EU Member States are members.
- d) The 10% limit referred to in point a) above may be increased to a maximum of 25% for covered bonds as defined in Article 3(1), of Directive (EU) 2019/2162, and for certain bonds, where they are issued before 8 July 2022 by a credit institution with its registered office in an EU Member State and subject by law to special public supervision designed to protect the holders of such bonds. In particular, the sums arising from the issue of these bonds issued before 8 July 2022 must be invested, in accordance with the law, in assets that adequately cover the liabilities arising from the bonds throughout their term and that are allocated by priority to the repayment of the capital and the payment of accrued interest in the event of default by the issuer. Insofar as a sub-fund invests more than 5% of its net assets in the bonds referred to above and issued by the same issuer, the total value of these investments may not exceed 80% of the value of its net assets.

- e) The transferable securities and money market instruments referred to in points c) and d) above are not taken into account when applying the 40% limit set out in point a) above.

- f) **By way of derogation, any sub-fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in various issues of transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a State which is a member of the OECD or by public international bodies to which one or more EU Member States belong.**

If a sub-fund makes use of this last option, it must hold securities from at least 6 different issues, without securities from any one issue exceeding 30% of the total net assets.

- g) Without prejudice to the limits laid down in point 7. below, the limit of 10% referred to in point a) above is raised to a maximum of 20% for investments in equities and/or bonds issued by the same entity, where the purpose of the sub-fund's investment policy is to replicate the composition of a specific equity or bond index recognised by the CSSF, on the following basis:
- the composition of the index is sufficiently diversified,
  - the index constitutes a representative benchmark for the market to which it refers,
  - it is published as appropriate.

The 20% limit is raised to 35% when justified by exceptional market conditions, particularly on regulated markets where certain transferable securities or money market instruments are highly dominant. Investment up to this limit is only permitted for a single issuer.

### **Deposits with a credit institution**

2. The SICAV may not invest more than 20% of the net assets of each sub-fund in bank deposits placed with the same entity. Companies that are grouped together for the purposes of consolidating accounts are to be considered as a single entity for the purposes of calculating this limitation.

### **Financial derivative instruments**

3. a) The counterparty risk in an OTC derivative transaction may not exceed 10% of the sub-fund's net assets when the counterparty is one of the credit institutions referred to in section 2 point g) above, or 5% of its net assets in other cases.
- b) Investments in financial derivative instruments may be made, provided that, in aggregate, the risks to which the underlying assets are exposed do not exceed the investment limits set out in points 1. a) to e), 2. and 3. a) above, and 5. and 6. below. When the SICAV invests in financial derivative instruments based on an index, these investments are not necessarily combined with the limits set out in points 1. a) to e), 2. and 3. a) above and 5. and 6. below.
- c) Where a transferable security or money market instrument includes a financial derivative instrument, the latter must be taken into account when applying the set out in 3. d) and 6. below, as well as for assessing the risks associated with

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transactions in financial derivative instruments, with the result that the overall risk related to financial derivative instruments does not exceed the total net value of the assets.

- d) Each sub-fund shall ensure that the overall risk associated with financial derivative does not exceed the total net value of its portfolio. Risks are calculated taking into account the current value of the underlying assets, the counterparty risk, expected market developments and the time available to liquidate the positions.

### Units in collective investment undertakings

**Subject to other more restrictive specific provisions relating to a given sub-fund and described in section 2 above, where applicable:**

- 4. a) The SICAV may not invest more than 20% of the net assets of each sub-fund in units of a single UCITS or other open-ended UCI, as defined in section 3. point f) above.
- b) Investments in units of UCIs other than UCITS may not exceed a total of 30% of the SICAV's net assets.

When a sub-fund has acquired units of UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits set out in points 7.a) to e) below.

- c) When the SICAV invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Company or by any other company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding, the Management Company or the other company may not charge subscription or redemption fees for the SICAV's investment in the units of other UCITS and/or other UCIs.

The maximum level of management fees that may be charged both to the SICAV and to the UCITS and/or other UCIs in which the SICAV intends to invest will be that indicated in the specific investment policy of the sub-fund concerned.

Insofar as this UCITS or UCI is a legal entity with multiple sub-funds, where the assets of a sub-fund are exclusively liable for the rights of investors relating to this sub-fund and for those of creditors whose claims have arisen in connection with the creation, operation or liquidation of this sub-fund, each sub-fund is to be considered as a separate issuer for the application of the above risk spreading rules.

### **Combined limits**

5. Notwithstanding the individual limits set out in points 1. a), 2. and 3. a) above, a sub-fund may not combine:
- investments in transferable securities or money market instruments issued by the same entity;
  - deposits with the same entity, and/or
  - risks arising from OTC derivative transactions with a single entity;
- in excess of 20% of its net assets.
6. The limits stipulated under points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not be accumulated and, consequently, investments in transferable securities and money market instruments of the same issuer made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not, in any event, exceed a total of 35% of the net assets of the sub-fund concerned.

### **Limitations on control**

7. a) The SICAV may not acquire shares carrying voting rights that would enable it to exercise significant influence over the management of an issuer.
- b) The SICAV may not acquire more than 10% of the non-voting shares of any single issuer.
- c) The SICAV may not acquire more than 10% of the bonds of any single issuer.
- d) The SICAV may not acquire more than 10% of the money market instruments of any single issuer.
- e) The SICAV may not acquire more than 25% of the units of any single UCITS and/or other UCI.
- f) The limits set out in points 7. c) to e) above may not be complied with at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments or the net amount of the securities issued cannot be calculated.

The limits set out in points 7. a) to e) above do not apply to:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-EU State;
- transferable securities and money market instruments issued by public international bodies to which one or more EU Member States belong;

- shares held in the capital of a company from a non-EU State, provided that (i) this company invests its assets mainly in the securities of issuers from that State when, (ii) under the legislation of that State, such a holding is the only way for the SICAV to invest in the securities of issuers from that State, and (iii) this company's investment policy complies with the risk diversification, counterparty and control limitation rules set out in points 1. a), 1. c), 1. d), 2., 3. a), 4. a) and b), 5., 6. and 7. a) to e) above;
- shares held in the capital of subsidiary companies carrying out management, advisory or marketing activities exclusively on behalf of the SICAV in the country where the subsidiary is located, with regard to the redemption of shares at the request of shareholders.

### **Borrowings**

8. Each sub-fund is authorised to borrow up to 10% of its net assets on a temporary basis. Each sub-fund may also acquire currencies through a type of face-to-face loan.

Commitments relating to options contracts and purchases and sales of forward contracts are not considered as borrowings for the purpose of calculating this investment limit.

### **Finally, the SICAV ensures that the investments of each sub-fund comply with the following rules:**

9. The SICAV may not grant loans or act as guarantor on behalf of third parties. This restriction does not prevent the acquisition of transferable securities, money market instruments or other financial instruments that are not fully paid up.
10. The SICAV may not engage in short sales of transferable securities, money market instruments or other financial instruments referred to in section 3 points e), f) and h) above.
11. The SICAV may not acquire real estate, unless such acquisitions are essential for the direct pursuit of its business.
12. The SICAV may not acquire commodities, precious metals or certificates representing them.
13. The SICAV may not use its assets to guarantee securities.
14. The SICAV may not issue warrants or other instruments conferring the right to acquire shares in the SICAV.

### **Notwithstanding any of the above provisions:**

15. The limits set above may not be respected when exercising subscription rights attached to transferable securities or money market instruments that form part of the assets of the sub-fund concerned.

While ensuring compliance with the principle of risk spreading, the SICAV may depart from the limits set above for a period of 6 months following the date of its authorisation.

16. When the above maximum percentages are exceeded beyond The SICAV's control or as a result of the exercise of rights attached to portfolio securities, The SICAV must, in its sales transactions, give priority to rectifying the situation, taking into account the interests of shareholders.

**Securities financing transaction** (i) repurchase agreements; (ii) securities lending and borrowing; (iii) purchase/resale transactions or sale/buyback transactions as defined by the SFTR Regulation

**SFTR** Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012

**TRS** total return swap, i.e. a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012, in which one counterparty transfers to another counterparty the total economic performance, including interest and commission income, gains and losses due to price fluctuations and credit losses of a reference bond.

### SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

The SICAV is not authorised to participate in a securities financing transaction as defined in the SFTR Regulation or in total return swaps or other financial derivative instruments with similar characteristics. If the SICAV decides to take part in this type of transaction in the future, the prospectus will be updated in accordance with the applicable CSSF regulations and circulars.

The SICAV reserves the right to introduce other investment restrictions at any time, provided that such restrictions are necessary to comply with the laws and regulations in force in certain States in which the shares of the SICAV may be offered and sold.

## 4. FINANCIAL INSTRUMENTS AND TECHNIQUES

Subject to the specific provisions set out in the investment policy of each sub-fund (Chapter III, Section 2, "Investment objectives and policies, risk profile and investor profile of the various sub-funds"), the SICAV may use techniques and instruments relating to transferable securities and money market instruments, such as securities lending and borrowing and repurchase and reverse repurchase transactions, for the purpose of efficient portfolio management, under the conditions and within the limits laid down by law, regulation and administrative practice, as described below.

Net exposures (i.e. the SICAV's exposures less collateral received by the SICAV) to a counterparty arising from securities lending or repurchase and reverse repurchase transactions must be taken into account within the 20% limit of Article 43(2) of the Law of 2010 in accordance with the point in Box 27 of ESMA Guideline 10-788. The SICAV may take into consideration collateral that complies with the requirements set out in point c) below to reduce counterparty risk in securities lending and borrowing transactions, repurchase agreements and/or reverse repurchase agreements.

The SICAV may, in respect of each sub-fund and unless otherwise stipulated in the investment policy of each sub-fund, for the purposes of efficient management of the portfolio of its assets or to provide protection against exchange rate risks under the conditions and within the limits laid down by the Law of 2010, the regulations and administrative practice and, in particular, subject to compliance with the conditions and limits laid down in circular 08/356, circular 14/592 on the guidelines of the European Securities and Markets Authority (ESMA) concerning exchange-traded funds (ETFs) and other issues relating to UCITS, use techniques and instruments relating to transferable securities and money market instruments, including securities lending transactions, repurchase agreements, reverse repurchase agreements and sales of securities with right of repurchase.



### **a) Management of financial guarantees**

The counterparty risk in OTC derivative transactions combined with that resulting from other efficient portfolio management techniques may not exceed 10% of the net assets of a given sub-fund when the counterparty is one of the credit institutions referred to in section 3.1.1. g) above, or 5% of its assets in other cases.

In this respect, and in order to reduce exposure to counterparty risk resulting from OTC derivative transactions and efficient portfolio management techniques, the SICAV may receive financial guarantees.

This security must be given in the form of cash or bonds issued or guaranteed by OECD Member States or their local authorities or by supranational institutions and bodies of a Community, regional or global nature.

Financial collateral received in transfer of ownership will be held with the Custodian or by one of its agents or third parties under its control. For other types of financial collateral arrangements, the financial collateral may be held by a third-party custodian that is subject to prudential supervision and has no links with the provider of the financial collateral. Collateral received in exchange for loaned securities is held in a segregated collateral account in the name of the sub-fund concerned and is not re-used.

Non-cash financial guarantees will not be sold, reinvested or pledged. At all times, they will comply with the criteria defined in ESMA Guideline 2012/832 in terms of liquidity, valuation, credit quality of issuers, correlation and diversification, with exposure to any one issuer not exceeding 20% of the SICAV's net asset value.

Financial guarantees received in cash may be reinvested. In this case, the reinvestment will follow the SICAV's investment policy and comply with the following conditions set out in the ESMA guidelines:

- Deposited with the entities referred to in point 3.1.1.g) above;
- Investment in high-quality government bonds;
- Use for the purposes of reverse repurchase agreements entered into with credit institutions subject to prudential supervision and provided that the Company is able to recall the total amount of cash at any time, taking account of accrued interest;
- Investment in short-term money market funds as defined in the guidelines for a common definition of European money market funds.

Cash collateral that may be reinvested will meet the same diversification requirements as non-cash collateral. Subject to the provisions applicable under Luxembourg law, the reinvestment of these financial guarantees received in cash will be taken into account when calculating the SICAV's overall exposure.

These financial guarantees will be valued each day in accordance with section "15. Establishment of the Net Asset Value". However, the SICAV will apply the following minimum discounts:

## SEVEN UCITS

Over-the-counter derivatives	
Type of financial guarantee received	Discount
Cash	0-10%
Government bonds (1)	0-10%
Securities lending	
Type of financial guarantee received	Discount
Government bonds (2)	0-10%
Cash (3)	0-10%
Equities	0-10%
Repo / Reverse Repo	
Type of financial guarantee received	Discount
Government bonds (2)	0-10%
Equities	0-10%

(1) issued or guaranteed by OECD Member States

(2) issued or guaranteed by OECD Member States or their local authorities or supranational bodies and institutions, of good quality

(3) in the same currency as the securities lent

### b) **Risk management**

The Management Company has established risk management and control procedures to ensure compliance with the regulations in force and with the investment policies and strategies of each sub-fund:

- the Management Company will ensure compliance with the investment policies and strategies of the sub-funds while monitoring the risk/return profiles;
- the volatility and performance of each sub-fund are analysed daily, and risk factors are systematically monitored;
- control and risk management procedures ensure compliance with applicable laws and regulations.

The Management Company's internal auditor will monitor procedures and supervise the organisation of controls.

## 5. **SUSTAINABILITY INFORMATION**

The various sub-funds of the SICAV promote, among other things, environmental and/or social characteristics and the companies in which investments are made apply good governance practices. The SICAV's various sub-funds are therefore subject to Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the publication of sustainability information in the financial services sector.

None of the SICAV's sub-funds has a sustainable investment objective.

The SICAV's sub-funds promote the following environmental and/or social characteristics:

- Environmental: energy and greenhouse gases (GHG), environmental policy and management system, treatment of water, waste and hazardous substances, etc.
- Governance: relations with shareholders, operation of governance bodies, CSR policy and conduct of business, etc
- Social: characteristics and social policy, working conditions, skills development, equal opportunities, health and safety....
- External stakeholders: relations with suppliers, relations with customers and responsibility..

Taking account of controversies, in particular by excluding the most serious controversies, in the investment decisions of the SICAV's sub-funds strengthens the promotion of the aforementioned characteristics.

At least 90% of portfolio investments (excluding derivatives) in each sub-fund are covered by ESG and controversy analysis. By default, issuers that are not rated will be excluded from the investment universe, to achieve effective coverage of 100% of the assets held. The consolidation of GAIA Research and Inrate ratings will be carried out by EthiFinance, which will transmit the updated investable universe on 1 January and 1 July of each year.

Further details on the SICAV's responsible investment strategy and its approach to promoting environmental, social and governance characteristics can be found in the ESG Charter, which is available on the website <https://www.seven-cm.com/>.

The Management Company does not take into account the negative impact of investment decisions on sustainability factors because the ESG data used by the Management Company does not initially provide a sufficient level of granularity to take these elements into account in its investment decisions and, subsequently, to report the data to its shareholders.

### **6. INFORMATION RELATING TO REGULATION (EU) 2020/852 ON TAXONOMY:**

Regulation (EU) 2020/852 on taxonomy aims to establish a framework for classifying economic activities as environmentally sustainable, while amending certain SFDR reporting requirements. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable, and describes a series of disclosure requirements aimed at improving transparency and enabling an objective comparison of financial products with regard to the proportion of their investments that contribute to environmentally sustainable economic activities.

The SEVEN UCITS sub-funds promote environmental characteristics but without sustainable investments.

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

As SEVEN UCITS only provides for investments that do not take into account EU criteria, the "do no significant harm" principle does not apply.

Further information is available in the investment policy of each sub-fund below.

### **7. INVESTMENT OBJECTIVES AND POLICIES, RISK PROFILE AND INVESTOR PROFILE OF THE VARIOUS SUB-FUNDS**

#### **a) SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND**

##### **(1) Investment policy**

Over a minimum investment horizon of 5 years, the sub-fund aims to outperform the Euro Stoxx 50 Net Return index

The Euro Stoxx 50 Net Return index covers the 50 Blue Chips from 16 countries in the Eurozone. The benchmark index is denominated in euro. It is available at [www.stoxx.com](http://www.stoxx.com).

The sub-fund has a 4-stage management process:

- 1) Screening of the stocks making up the Stoxx Europe 600 index, eliminating stocks with low daily volumes.
- 2) Classification of securities according to different criteria, such as momentum, risk or company ratios.
- 3) Filtering out stocks with excessive volatility.
- 4) Screening of securities on the basis of ESG ratings and application of the best-in-class approach, with exclusion of the 20% lowest-rated issuers and issuers subject to level 5 controversy, as described in point III.1.b.

Following these 4 stages: screening, classification, volatility filter and ESG filter, the sub-fund will have an average of between 40 and 70 securities in its portfolio. However, this average may increase as the sub-fund's assets under management grow.

The sub-fund is exposed at all times to at least 60% of its net assets in equities from European Union countries, with no geographical, sectoral or capitalisation size restrictions. Within these limits, the sub-fund may invest in European Union equities not denominated in euro, thereby exposing itself to currency risk.

The sub-fund may therefore hedge via futures or options in the event of a market downturn in order to reduce its exposure to equities.

As the sub-fund is eligible for the PEA tax regime, at least 75% of its assets are invested in PEA-eligible securities.

At least 90% of investments in the portfolio are covered by ESG and controversy analysis. By default, issuers that are not rated will be excluded from the investment universe, to achieve effective coverage of 100% of the assets held. ESG analysis also covers sovereign issuers.

GAIA Research and Inrate ratings will be consolidated by Ethifinance, which will send the list of investable universes updated on 1 January and 1 July each year.

The sub-fund is managed using a best-in-class approach, in order to maintain the variety of sectors in the initial investment universe. A filter is applied, based on ESG ratings, to exclude the 20% lowest-rated stocks in each sector, as well as all issuers subject to severe controversy, with a level 5 rating across all sectors.

Non-financial analysis is also applied to sovereign issuers and to underlying assets in the case of interest rate hedging derivatives, all of which carry an ESG rating. A best-in-universe strategy is applied on the basis of this rating, making it possible to select only the best-rated 50% of the sovereign universe.

### **(2) Information relating to Regulation (EU) 2020/852 on Taxonomy:**

The SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND sub-fund promotes environmental characteristics but without sustainable investments in accordance with Article 8 of Regulation (EU) 2019/2088 "SFDR".

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

As the SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND sub-fund only provides for investments which do not take account of EU criteria, the "do no significant harm" principle does not apply.

### **(3) Assets used**

To achieve its investment objective, the sub-fund will invest in the following assets:

#### Equities

Between 75% and 100% in equities of large-, mid- or small-cap companies in the European Union.

#### UCITS

The sub-fund may hold up to 10% of its assets in units or shares of other investment funds that comply with e) of article 41 of the Law of 17 December 2010 on undertakings for collective investment. Investments in equity funds will be made in European Union equity funds eligible for the PEA, certain tracker funds that track international indices such as the Eurostoxx 50 or the CAC40, and some cash funds. These funds will be selected on the basis of their historical performance or tracking error in relation to indices.

The Management Company will use these UCITS to meet investment needs for which the manager considers that a UCITS meets its objective more precisely than direct securities (specific sector or geographical area, interest rate products, etc.).

The sub-fund may also invest up to the same limit of 10% in investment funds managed by the management company.

### Derivatives

The sub-fund trades on regulated and organised markets whose underlying assets are equities and foreign exchange.

The instruments used are equity index, foreign exchange and securities futures and options on the same underlyings.

The purpose of using these instruments is to expose or hedge the sub-fund with regard to equities and to hedge the sub-fund with regard to currencies.

### Debt securities and money market instruments

For cash management purposes, the Sub-Fund may invest up to 25% of its assets in debt securities or bonds.

### Cash deposits / borrowings

The Sub-Fund may hold cash on an ancillary basis, up to a limit of 20% of net assets, in the form of current accounts and sight deposits. This limit may only be exceeded on a temporary basis if strictly necessary due to exceptionally unfavourable market conditions and if this is justified in the interests of investors.

Deposits must be made with a credit institution whose registered office is in a Member State of the EEC or a member of the EEA. The term is less than 12 months.

The Sub-Fund may temporarily borrow cash up to a limit of 10% of its net assets. This type of instrument will nevertheless be used depending on market conditions.

## **(4) Risk profile**

### ➤ Risk of capital loss:

Capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase. The sub-fund does not benefit from any capital protection or guarantee. The capital initially invested is exposed to the vagaries of the market.

### ➤ Quantitative management risk:

The sub-fund's management process is partly based on a quantitative management process that identifies signals on the basis of past statistical results. There is a risk that the process will not be efficient, as there is no guarantee that past market situations will be repeated in the future.

### ➤ Equity risk:

Equity risk corresponds to a fall in the equity markets; as the sub-fund is exposed to equities, the net asset value may fall significantly.

The sub-fund may invest in small-cap equities. The volume of these shares listed on the stock market is small, so market movements are more pronounced, both upwards and downwards, and faster than for large caps. The sub-fund's net asset value may therefore behave in the same way.

➤ Discretionary management risk:

The performance of the sub-fund will depend on the securities selected by the manager. There is a risk that the manager may not select the best-performing securities.

➤ Liquidity risk:

When market conditions are unusual or a market is particularly thin, the Sub-Fund may find it difficult to value and/or sell some of its assets, in particular, to meet large-scale redemption requests.

➤ Currency risk:

The sub-fund may invest in securities denominated in currencies other than the Eurozone within the European Union. This involves the risk of the investment currencies falling against the portfolio's reference currency, the euro. A fall in the exchange rate may reduce the net asset value.

➤ Counterparty risk:

Counterparty risk arises from all over-the-counter financial contracts entered into with the same counterparty, such as temporary purchases/sales of securities and any other over-the-counter derivative contracts. Counterparty risk measures the risk of loss to the sub-fund resulting from the fact that the counterparty to a transaction may default on its obligations before the transaction has been finally settled in the form of a cash flow. To reduce the sub-fund's exposure to counterparty risk, the Management Company may set up a guarantee for the benefit of the sub-fund.

For monetary and deposit-related assets, in addition to the risks mentioned in the following paragraphs, interest rate risk, default risk, market risk, specific risk, country and regional risk, counterparty risk, settlement risk and, to a lesser extent, liquidity risk, delivery risk and custodian risk should also be mentioned.

➤ Sustainability risks:

Sustainability risks, which arise when an environmental, social or governance event or situation occurs that could have a negative impact on the value of an investment, are taken into account by assessing investments on the basis of non-financial criteria (ESG). This assessment is therefore akin to taking sustainability risks into account.

For more information on the specific risks associated with the use of techniques and instruments, please refer to section 5 "Financial techniques and instruments".

***The Sub-Fund's total risk exposure is monitored using the commitment approach. This method measures the total exposure linked to positions in financial derivative instruments ("FDIs"), which may not exceed the Sub-Fund's Net Asset Value.***

### (5) Investor profile

The **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is aimed at all categories of investors wishing to benefit from market opportunities through equity management, by seeking performance on the equity markets and, on an ancillary basis, on the fixed income and money markets, over a horizon of more than 5 years.

### (6) Reference currencies

The net asset value of the "**EUR-I (cap)**" class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is expressed in EUR.

The net asset value of the "**EUR-R (cap)**" class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is expressed in EUR.

The net asset value of the "**USD-I (cap)**" class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is expressed in USD.

The net asset value of the "**USD-R (cap)**" class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is expressed in USD.

The net asset value of the "**CHF-I (cap)**" class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is expressed in CHF.

The net asset value of the "**CHF-R (cap)**" class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund is expressed in CHF.

The net assets of the **SEVEN EUROPEAN EQUITY FUND** sub-fund are consolidated in euros.

## b) SEVEN UCITS – SEVEN FORCE 5

### (1) Investment policy

Over a minimum investment horizon of 3 years, the sub-fund aims to achieve an annualised performance higher than that of the capitalised €STR on a daily basis, after taking into account operating and management costs.

The sub-fund's strategy is to build up a portfolio of diversified assets.

This is a long-only sub-fund whose net exposure to the equity and bond markets may be zero during bear markets.

To achieve its management objective, the sub-fund will invest mainly in equities and fixed income, mainly via derivatives and cash securities.

It may also invest up to 10% of its net assets in products whose underlying assets are funds.

The uninvested portion will be invested in money market instruments (such as negotiable debt securities).



The algorithm used designates the management process applied by the management company to buy and sell signals on the products making up the portfolio. These signals are based on analysis of price momentum, risk momentum and momentum based on fundamental indicators.

The investment process comprises 2 phases:

1. Allocation: this phase gives the maximum desired exposure per asset class. This allocation may change over time depending on opportunities.
2. The daily signal: this phase sets the direction for the position. The final market position is the aggregate of several signals based on price momentum, risk and macroeconomic indicators.

The investment process includes screening securities on the basis of ESG ratings and applies a best-in-class approach, excluding the 20% lowest-rated issuers and issuers subject to level 5 controversy, as described in section III.1.b.

Historical volatility should, barring exceptions, remain within a range of 4% to 10%.

At least 90% of investments in the portfolio are covered by ESG and controversy analysis. By default, issuers that are not rated will be excluded from the investment universe, to achieve effective coverage of 100% of the assets held. ESG analysis also covers sovereign issuers.

GAIA Research and Inrate ratings will be consolidated by Ethifinance, which will send the list of investable universes updated on 1 January and 1 July each year.

The sub-fund is managed using a best-in-class approach, in order to maintain the variety of sectors in the initial investment universe. A filter is applied, based on ESG ratings, to exclude the 20% lowest-rated stocks in each sector, as well as all issuers subject to severe controversy, with a level 5 rating across all sectors.

Non-financial analysis is also applied to sovereign issuers and to underlying assets in the case of interest rate hedging derivatives, all of which carry an ESG rating. A best-in-universe strategy is applied on the basis of this rating, making it possible to select only the best-rated 50% of the sovereign universe.

### **(2) Information relating to Regulation (EU) 2020/852 on Taxonomy:**

The SEVEN UCITS – SEVEN FORCE 5 sub-fund promotes environmental characteristics but without sustainable investments in accordance with Article 8 of Regulation (EU) 2019/2088 "SFDR".

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

As the SEVEN UCITS – SEVEN FORCE 5 sub-fund only provides for investments which do not take account of EU criteria, the "do no significant harm" principle does not apply.

### (3) **Assets used**

To achieve its investment objective, the sub-fund will invest in the following assets:

#### Derivatives

The sub-fund invests in regulated and organised markets whose underlying assets are equities, interest rates and currencies.

The instruments used are equity index, interest rate, security and foreign exchange futures and options on the same underlyings.

The purpose of using these instruments is to expose the sub-fund to the equity and fixed income classes, and to hedge the sub-fund with regard to the currency class.

#### Equities

The sub-fund may also invest in equities (short-lived securities) in all geographical regions, meeting minimum liquidity criteria.

#### Debt securities and money market instruments

For cash management purposes, the sub-fund may invest up to 100% of its assets in debt securities or bonds.

#### Cash deposits / borrowings

The Sub-Fund may hold cash on an ancillary basis, up to a limit of 20% of net assets, in the form of current accounts and sight deposits. This limit may only be exceeded on a temporary basis if strictly necessary due to exceptionally unfavourable market conditions and if this is justified in the interests of investors.

Deposits must be made with a credit institution whose registered office is in a Member State of the EEC or a member of the EEA. The term is less than 12 months.

The Sub-Fund may temporarily borrow cash up to a limit of 10% of its net assets. This type of instrument will nevertheless be used depending on market conditions.

#### UCITS

The sub-fund may hold up to 10% of its assets in units or shares of other investment funds that comply with e) of article 41 of the Law of 17 December 2010 on undertakings for collective investment.

The Management Company will use these UCITS to meet investment needs for which the manager considers that a UCITS meets its objective more precisely than direct securities (specific sector or geographical area, interest rate products, etc.).

The sub-fund may also invest up to the same limit of 10% in investment funds managed by the management company.

### Securities with embedded derivatives

The sub-fund may invest in securities with embedded derivatives traded on regulated, organised or over-the-counter markets in the Eurozone and/or internationally. Underlyings may include equities, bonds, fixed income, equity indices, UCITS, FIAs, bond indices and fixed income indices.

#### **(4) Risk profile**

There is no guarantee that the Sub-Fund's management objective will be achieved.

##### ➤ Risk of capital loss:

Capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase. The Sub-Fund does not benefit from any capital protection or guarantee. The capital initially invested is exposed to the vagaries of the market.

##### ➤ Quantitative management risk:

The Sub-Fund's management process is partly based on a quantitative management process that identifies signals on the basis of past statistical results. There is a risk that the process will not be efficient, as there is no guarantee that past market situations will be repeated in the future.

##### ➤ Equity risk:

Equity risk corresponds to a fall in the equity markets; as the Sub-Fund is exposed to equities, the net asset value may fall significantly.

The sub-fund may invest in small-cap equities. The volume of these shares listed on the stock market is small, so market movements are more pronounced, both upwards and downwards, and faster than for large caps. The sub-fund's net asset value may therefore behave in the same way.

##### ➤ Discretionary management risk:

The performance of the Sub-Fund will depend on the securities selected by the Manager. There is a risk that the manager may not select the best-performing securities.

##### ➤ Risks associated with the use of a management algorithm:

### Cyber risk

Cyber risk is the risk of damage caused by external attacks on the Company's internal systems, resulting in an inability to manage following damage to databases and management programmes.

### Talent risk

The talent risk represents the company's ability to ensure continuity in the management of algorithms and their development.

### Risk of misleading investors

Algorithm-based management offers no higher probability of achieving the stated objectives than traditional management. Similarly, it does not effectively neutralise all the risks described in section (3) "Risk profile".

### Regulatory risk

Regulatory developments may have an impact on management using algorithms. Not only do we need to ensure that all regulatory constraints are properly integrated into the algorithms, but changes in regulations can have a major impact on existing algorithms.

### Strategic risk

The management strategy applied by the algorithm may lead to poor investment choices, resulting in underperformance relative to the benchmark index and/or capital losses.

#### ➤ Interest rate risk:

Interest rate risk arises from potential increases in bond market interest rates, which cause bond prices to fall and, consequently, reduce the UCITS' net asset value.

#### ➤ Credit risk:

Part of the portfolio may be invested in bonds or debt securities issued by corporate issuers and the Sub-Fund may be exposed to credit risk on these corporate issuers. In the event of a deterioration in the quality of corporate issuers, for example, in their rating by financial rating agencies, or if the issuer is no longer able to repay the bond and pay the scheduled interest on the contractual date, the value of corporate bonds may fall, causing the net asset value to fall.

#### ➤ Liquidity risk:

When market conditions are unusual or a market is particularly thin, the Sub-Fund may find it difficult to value and/or sell some of its assets, in particular, to meet large-scale redemption requests.

#### ➤ Currency risk:

The Sub-Fund may invest up to 100% in instruments denominated in foreign currencies outside the eurozone. Fluctuations in these currencies against the euro may have a positive or negative impact on the value of these instruments. The fall in the exchange rate of these currencies against the euro corresponds to the exchange rate risk.

#### ➤ Counterparty risk:

Counterparty risk arises from all OTC financial contracts entered into with the same counterparty. Counterparty risk measures the risk of loss to the sub-fund resulting from the fact that the counterparty to a transaction may default on its obligations before the transaction has been finally settled in the form of a cash flow. To reduce the sub-fund's exposure to counterparty risk, the Management Company may set up a guarantee for the benefit of the Sub-Fund.

For monetary and deposit-related assets, in addition to the risks mentioned in the following paragraphs, interest rate risk, default risk, market risk, specific risk, country and regional risk, counterparty risk, settlement risk and, to a lesser extent, liquidity risk, delivery risk and custodian risk should also be mentioned.

For more information on the specific risks associated with the use of techniques and instruments, please refer to section 5 "Financial techniques and instruments".

Subscribers' attention is drawn to the fact that the Sub-Fund uses the probabilistic method (Value at Risk calculation) to calculate commitments on forward financial instruments. Accordingly, the Sub-Fund's Value at Risk (VaR) over a 20-day horizon and with a 99% probability may not exceed 20%. This means that, with a 99% probability, a subscriber's 20-day loss cannot exceed 20%. Subscribers should also note that this limit does not constitute a guarantee, but only an objective expressed in terms of probability.

The expected leverage of the Sub-Fund, under normal market conditions, is expected to range from 100% to 300%.

➤ Sustainability risks:

Sustainability risks, which arise when an environmental, social or governance event or situation occurs that could have a negative impact on the value of an investment, are taken into account by assessing investments on the basis of non-financial criteria (ESG). This assessment is therefore akin to taking sustainability risks into account

### (5) Investor profile

The **SEVEN UCITS – SEVEN FORCE 5** sub-fund is aimed at all categories of investors wishing to benefit from market opportunities through diversified management over a horizon of more than 3 years. The sub-fund is aimed at investors who may be exposed to certain risks.

### (6) Reference currencies

The net asset value of the "**EUR-I (cap)**" class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund is expressed in EUR.

The net asset value of the "**EUR-R (cap)**" class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund is expressed in EUR.

The net asset value of the "**USD-I (cap)**" class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund is expressed in USD.

The net asset value of the "**USD-R (cap)**" class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund is expressed in USD.

The net asset value of the "**CHF-I (cap)**" class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund is expressed in CHF.

The net asset value of the "**CHF-R (cap)**" class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund is expressed in CHF.

The net assets of the **SEVEN FORCE 5** sub-fund are consolidated in EUR.

## IV. THE SHARES

### 1. GENERAL INFORMATION

The SICAV's capital is represented by the assets of its various sub-funds. Subscriptions are invested in the assets of the relevant sub-fund.

All shares in the SICAV must be fully paid up. There is no limit to the number of shares they can be issued. Nevertheless, the Board of Directors may restrict the frequency with which shares will be issued in a sub-fund and/or share class; in particular, the Board of Directors may decide that the shares of a sub-fund and/or share class will only be issued during one or more specific periods of time or up to a specific amount of net assets.

The shares of each sub-fund have no par value and confer no pre-emptive rights when new shares are issued. The rights attached to the shares are those set out in the Luxembourg Law of 10 August 1915 on commercial companies and its amending laws, insofar as they are not derogated from by the Law of 2010. Each whole share entitles its holder to one vote at General Meetings of Shareholders, regardless of its net asset value.

The SICAV constitutes a single legal entity. However, the assets of a given sub-fund are only liable for the debts, commitments and obligations of that sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

### 2. CHARACTERISTICS OF THE SHARES

#### a) Share classes and categories

For each sub-fund, the Board of Directors may decide at any time to issue different classes of shares, which may themselves be sub-divided into categories of shares (accumulation shares or distribution shares).

As at the date of the Prospectus, the Board of Directors has decided to issue the following classes of shares for each sub-fund, distinguished in particular by the type of investors, and/or the minimum investment amount, and/or the accounting currency, and/or the applicable management and marketing fee, and/or a hedging policy and/or a deadline for subsequent subscriptions, where applicable:

For the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund:

- "EUR-I (cap)" class, an accumulation share denominated in EUR and intended for institutional investors;
- "EUR-R (cap)" class, an accumulation share denominated in EUR for all types of investors;
- "USD-I (cap)" class, an accumulation share denominated in USD and intended for institutional investors;
- "USD-R (cap)" class, an accumulation share denominated in USD and intended for all types of investors;

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- **"CHF-I (cap)"** class, an accumulation share denominated in CHF and intended for institutional investors;
- **"CHF-R (cap)"** class, an accumulation share denominated in CHF and intended for all types of investors.

For the **SEVEN UCITS – SEVEN FORCE 5** sub-fund:

- **"EUR-I (cap)"** class, an accumulation share denominated in EUR and intended for institutional investors;
- **"EUR-R (cap)"** class, an accumulation share denominated in EUR for all types of investors;
- **"USD-I (cap)"** class, an accumulation share denominated in USD and intended for institutional investors;
- **"USD-R (cap)"** class, an accumulation share denominated in USD and intended for all types of investors;
- **"CHF-I (cap)"** class, an accumulation share denominated in CHF and intended for institutional investors;
- **"CHF-R (cap)"** class, an accumulation share denominated in CHF and intended for all types of investors.

Accumulation shares do not confer the right to receive dividends. Following each cash dividend distribution – annual or interim – to distribution shares, the portion of the sub-fund's or class's net assets attributable to all distribution shares will be reduced by an amount equal to the dividends paid, thereby decreasing the percentage of the sub-fund's or class's net assets attributable to all distribution shares, while the portion of the sub-fund's or class's net assets attributable to all accumulation shares will remain unchanged, thereby increasing the percentage of the sub-fund's or class's net assets attributable to all accumulation shares.

The breakdown of the value of the net assets of a given sub-fund or class between all distribution shares and all accumulation shares is carried out in accordance with Article 13 of the Articles of Association.

The net asset value of a share therefore depends on the value of the net assets of the sub-fund or class in respect of which the share is issued and, within the same sub-fund or class, its net asset value may vary depending on whether it is a distribution share or an accumulation share.

The Board of Directors shall establish a separate pool of net assets for each sub-fund. In relations between shareholders, this pool will be allocated solely to the shares issued in respect of the sub-fund concerned, taking into account, where applicable, the breakdown of this pool between the classes and the distribution and accumulation shares of this sub-fund.

The Board of Directors may subdivide the existing shares of each class and/or category of shares into such number of shares as it shall itself determine, the total net asset value of the latter being equivalent to the net asset value of the subdivided shares existing at the time of the subdivision.

**b) Registered shares**

All shares, regardless of the sub-fund or category to which they belong, may be issued in registered form.

Registered shares are recorded in the SICAV's register of shareholders. A confirmation of registration will be sent to the shareholder. Registered certificates will not be issued to shareholders except at their express request.

Transfer documents for transfers of registered shares are available from the SICAV's registered office or from the Transfer Agent and Registrar or the Global Distributor.

Arrangements can be made for shares to be held in Clearstream or Euroclear accounts. Investors' attention is drawn to the fact that Clearstream will accept delivery of fractional Shares calculated to two decimal places, whereas Euroclear will only accept whole shares. Shares held through Clearstream or Euroclear will be registered in the name of the relevant custodian.

**c) Fractional shares**

Fractional shares may be issued up to three decimal places. Fractional shares have no voting rights at General Meetings. However, fractional shares are entitled to any dividends or other distributions that may be paid.

**d) ISIN codes**

Sub-Fund	Class	ISIN code
SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND	EUR-I (cap)	LU1229130585
	EUR-R (cap)	LU1229130742
	USD-I (cap)	LU1229131047
	USD-R (cap)	LU1229131807
	CHF-I (cap)	LU1229132011
	CHF-R (cap)	LU1229132284
SEVEN UCITS – SEVEN FORCE 5	EUR-I (cap)	LU1229132441
	EUR-R (cap)	LU1229132797
	USD-I (cap)	LU1229133092
	USD-R (cap)	LU1229133258
	CHF-I (cap)	LU1229133415
	CHF-R (cap)	LU1229133688



### 3. **SHARE ISSUE AND SUBSCRIPTION PRICE**

The Board of Directors is authorised to issue shares of each sub-fund and each class at any time and without limitation.

#### a) **Initial subscriptions**

The EUR-I (cap) and EUR-R (cap) class shares of the SEVEN EUROPEAN EQUITY FUND sub-fund were launched through the absorption of the I and P units, respectively, of the French mutual fund SEVEN EUROPEAN EQUITY **on 28 September 2015**. Shares of the USD-I (cap), USD-R (cap), CHF-I (cap) and CHF-R (cap) classes of the SEVEN EUROPEAN EQUITY FUND sub-fund are offered for initial subscription on a date defined by a circular resolution of the SICAV's Board of Directors at a unit price of USD 100, USD 100, CHF 100 and CHF 100, respectively.

The EUR-I (cap) and EUR-R (cap) class shares of the SEVEN FORCE 5 sub-fund were launched through the absorption of the I and P units, respectively, of the French mutual fund SEVEN RISK ALLOCATION FUND **on 28 September 2015**. Shares of the USD-I (cap), USD-R (cap), CHF-I (cap) and CHF-R (cap) classes of the SEVEN FORCE 5 sub-fund are offered for initial subscription on a date defined by a circular resolution of the SICAV's Board of Directors at a unit price of USD 100, USD 100, CHF 100 and CHF 100, respectively.

The Board of Directors reserves the right to close the initial subscription period early or extend it. Shareholders will then be informed of this decision and the Prospectus will be updated.

#### b) **Current subscriptions**

Shares in all sub-funds are issued at a price corresponding to the net asset value per share, plus a maximum entry fee of 3% payable to approved intermediaries.

Subscription requests received by the Transfer Agent and Registrar within the limits described below will be processed, if accepted, at the net asset value per share of the relevant sub-fund and class determined on that Valuation Day. Subscription requests received after this deadline will be processed on the following Valuation Day.

SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND	no later than 12:00 noon (Luxembourg time) on the Valuation Day
SEVEN UCITS – FORCE 5	no later than 12:00 noon (Luxembourg time) on the Valuation Day

Subscription requests for sub-funds will relate either to a number of units or to an amount to be invested in the sub-fund concerned.

The SICAV may agree to issue shares as consideration for a contribution in kind of transferable securities, for example in the event of a merger with an external sub-fund, provided that these transferable securities are consistent with the objectives and investment policy of the sub-fund concerned and in accordance with the provisions of Luxembourg law, including the obligation to submit a valuation report drawn up by the SICAV's Réviseur d'Entreprises Agréé and available for consultation. All costs relating to the contribution in kind of transferable securities will be borne by the shareholders concerned.

**c) Minimum initial investment**

The minimum initial investment required for all new investors is:

<b>Class</b>	<b>Minimum initial amount</b>
<b>EUR-I (cap)</b>	EUR 1,000*
<b>EUR-A (cap)</b>	EUR 1,000*
<b>EUR-R (cap)</b>	EUR 100
<b>USD-I (cap)</b>	USD 1,000*
<b>USD-R (cap)</b>	USD 100*
<b>CHF-I (cap)</b>	CHF 1,000*
<b>CHF-R (cap)</b>	CHF 100

\*Excluding companies in the SEVEN CAPITAL MANAGEMENT group

**d) Payment of subscriptions**

The subscription amount for each share is payable within the time limits described below:

SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND	within 2 business days of the applicable Valuation Day
SEVEN UCITS – FORCE 5	within 2 business days of the applicable Valuation Day

The share subscription amount will be applied in the currency in which the net asset value per share of the relevant sub-fund class is calculated, plus a maximum entry fee of 3% payable to approved intermediaries.

The Board of Directors reserves the right to defer subscription requests if it is uncertain whether the relevant payment will reach the Custodian within the stipulated payment deadlines.

If a payment is received in respect of a subscription request after the expiry of the time limit, the Board of Directors or its agent may deal with the request either (i) by applying a surcharge taking into account, in particular, interest due at the usual market rates, or (ii) by cancelling the allotment of shares and, if applicable, by requesting compensation for any loss resulting from the failure to make payment before the expiry of the time limit. In the event of non-payment, the subscription request may be foreclosed and cancelled.

The SICAV may also accept subscriptions through the contribution of an existing portfolio, provided that the securities and assets in this portfolio are compatible with the investment policy and restrictions applicable to the sub-fund concerned. For all securities and assets accepted in settlement of a subscription, a report will be drawn up by the SICAV's auditor in accordance with the provisions of article 26-1 of the Luxembourg Law of 10 August 1915 on commercial companies and its amending laws. Unless otherwise decided by the Board of Directors, the cost of this report will be borne by the investor concerned.

### **e) Intermediary (or nominee)**

Investors may subscribe for registered shares in the SICAV through an intermediary (or "nominee"), who then acts as an intermediary between the investors and the SICAV, subscribing for the shares in his own name but on behalf of the investors. In this capacity, the nominee may carry out subscriptions, conversions and redemptions of shares on behalf of investors and request that these transactions be entered in the SICAV's register of registered shares in its own name. The nominee keeps a separate register in order to provide investors, through its intermediary, with personalised information on the shares they hold indirectly in the SICAV. Unless otherwise provided by law or regulation, investors may invest directly in the SICAV without going through a nominee. Unless the use of the services of a nominee is essential, or even compulsory, for legal, regulatory or even practical reasons, investors holding shares through a nominee may at any time claim direct ownership of the shares thus subscribed and may demand that the shares be entered in the SICAV's register of registered shares directly in their name.

The compensation rights of final beneficiaries may be affected when compensation is paid in the event of errors/non-compliance occurring at the level of the SICAV or a sub-fund when they have subscribed to shares in the SICAV through a financial intermediary (such as a distributor acting as nominee).

### **f) Suspension and refusal of subscriptions**

The Board of Directors of the SICAV may suspend or interrupt the issue of shares of a sub-fund of the SICAV at any time. In particular, it may do so in the circumstances described in section 2 of chapter V "Net Asset Value of the shares". "Suspension of the Calculation of the Net Asset Value and of the issue, redemption and conversion of shares". In addition, it may, at its discretion and without having to justify itself:

- (a) refuse all or part of a request to subscribe for shares,
- (b) redeem at any time shares held by persons who are not authorised to purchase or hold shares in the SICAV.

When the Board of Directors decides to resume the issue of shares of a sub-fund after suspending the issue for any period, all pending subscriptions will be executed on the basis of the same net asset value corresponding to the Valuation Day on which the calculation is resumed.

### **g) Combating Late Trading and Market Timing**

The SICAV's Transfer Agent and Registrar will ensure that appropriate procedures are in place to ensure that subscription, redemption and conversion requests are received before the cut-off time for accepting orders on the applicable Valuation Day.

The SICAV will not authorise practices associated with Late Trading and Market Timing as defined in CSSF circular 04/146, or practices associated with "active trading" or "excessive trading" ("Active Trading") defined as the subscription/redemption/conversion of shares in the same sub-fund over a short period of time and, where applicable, in large amounts, with the aim of making a short-term profit. Both Active Trading and Market Timing practices are detrimental to other shareholders because they affect the sub-fund's performance and disrupt asset management.

The Board of Directors reserves the right to reject all subscription and conversion orders suspected of Active Trading or Market Timing. The Board of Directors may take all necessary measures to protect the SICAV's other shareholders when such practices are suspected, in particular by applying an additional redemption fee of maximum 1% for the benefit of the sub-fund, on the understanding that the outgoing shareholder will receive prior information allowing him to withdraw his redemption request.

### **h) Combating money laundering and the financing of terrorism**

As part of the fight against money laundering and the financing of terrorism, the SICAV will apply the relevant national and international measures requiring subscribers to prove their identity to the SICAV. For this reason, in order for the subscription to be considered valid and acceptable by the SICAV, the subscriber must attach to the subscription form:

- if they are a *natural person*, a copy of one of their identity documents (passport or identity card), or,
- if they are a *legal entity*, a copy of its corporate documents (such as its coordinated Articles of Association, published balance sheets, extract from the commercial register, list of authorised signatures, list of shareholders holding directly or indirectly 25% or more of the capital or voting rights, list of directors, etc.) and identity documents (passport or identity card) of its beneficial owners and persons authorised to give instructions to the Transfer Agent and Registrar.

These documents must be duly certified by a public authority (e.g. notary, police commissioner, consul, ambassador) in the country of residence.

This obligation is absolute, unless:

- the subscription form is sent to the SICAV by one of its distributor agents located (i) in one of the Member States of the European Union, the European Economic Area or a third country imposing equivalent obligations within the meaning of the amended law of 12 November 2004 on the fight against money laundering and terrorist financing, or (ii) by a subsidiary or branch of its distributors located in another country, if the parent company of this subsidiary or branch is located in one of these countries and if either the legislation of this country or the internal rules of the parent company guarantee the application of the rules relating to the prevention of money laundering and terrorist financing vis-à-vis this subsidiary or branch;
- the subscription form is sent directly to the SICAV and the subscription is paid either by:
  - o a bank transfer initiated by a financial institution resident in one of these countries, or,
  - o a cheque drawn on the subscriber's personal account at a bank resident in one of these countries or a bank cheque issued by a bank resident in one of these countries.

However, the Board of Directors must obtain from its distribution agents or directly from the investor a copy of the identification documents as described above, on first request.

Before accepting a subscription, the SICAV may undertake additional investigations in accordance with the national and international measures in force to combat money laundering and the financing of terrorism.

#### 4. **SHARE REDEMPTION**

Pursuant to the Articles of Association and subject to the following provisions, each shareholder has the right, at any time, to have his shares redeemed by the SICAV. Shares redeemed by the SICAV will be cancelled.

Shareholders who wish all or part of their shares to be redeemed by the SICAV must submit an irrevocable request to the Transfer Agent and Registrar, specifying the number of shares to be redeemed, the name of the Sub-Fund and Class, the method of payment and the personal details of the person placing the order.

The redemption request must be accompanied by the documents needed to transfer them before the redemption price can be paid.

All shares presented for redemption to the Transfer Agent and Registrar within the limits described below will be processed, if accepted, on the basis of the net asset value per share of the class of the sub-fund concerned on that Valuation Day. Redemption requests received after this deadline will be processed on the following Valuation Day.

SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND	no later than 12:00 noon (Luxembourg time) on the Valuation Day
SEVEN UCITS – FORCE 5	no later than 12:00 noon (Luxembourg time) on the Valuation Day

Payment of the price of the repurchased shares will be made within the deadlines described below, provided that all the documents evidencing the repurchase have been received by the SICAV.

SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND	within 2 business days of the applicable Valuation Day
SEVEN UCITS – FORCE 5	within 2 business days of the applicable Valuation Day

Payment will be made in the currency in which the net asset value is calculated for the share class of the sub-fund concerned.

The redemption price of SICAV shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net value has appreciated or depreciated.

No shares of a given sub-fund will be redeemed during any period in which the calculation of the net asset value of the shares of this sub-fund is temporarily suspended by the SICAV by virtue of the powers conferred on it by Article 14 of the Articles of Association. In the event of significant redemption requests representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to defer redemption requests exceeding 10% until the next valuation day.

On the next valuation day, or on the following valuation days until the original applications have been fully processed, deferred applications will be given priority.

## 5. CONVERSION OF SHARES

Under the Articles of Association and subject to the following provisions, each shareholder may request the conversion of all or part of his shares into shares of another sub-fund or class/category (and within such other sub-fund, either of the same class/category or of another class/category), at a price based on the respective net values of the shares of the different sub-funds and classes/categories concerned.

A shareholder wishing to convert shares may submit a request to the Transfer Agent and Registrar, indicating the amount to be converted and the form of the shares to be converted and specifying whether the shares of the new sub-fund/class/category are to be registered or book-entry shares.

The terms and conditions and notices relating to the redemption of shares apply equally to the conversion of shares.

The number of shares allocated in the new sub-fund/class/category will be determined according to the following formula:

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

- A:** represents the number of shares to be allocated in the new sub-fund or class/category,
- B:** represents the amount to be converted into the initial sub-fund or class/category,
- C:** represents the net asset value, on the applicable Valuation Day, of the shares to be converted into the initial sub-fund or class/category,
- D:** is the exchange rate coefficient applicable on the Valuation Day between the currencies of the two sub-funds or classes/categories concerned. If both sub-funds or classes/categories are held in the same currency, the coefficient is equal to 1,
- E:** represents the net asset value, on the applicable Valuation Day, of the shares to be allocated in the new sub-fund or class/category.

After conversion, the Transfer Agent and Registrar will inform shareholders of the number of new shares obtained on conversion and their price.

No shares will be converted during any period in which the calculation of the net asset value of the shares concerned is temporarily suspended by the SICAV by virtue of the powers conferred on it by Article 14 of the Articles of Association. In the event of significant requests for conversion to another sub-fund representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to defer conversion requests exceeding 10% until the next valuation day. On the next valuation day, or on the following valuation days until the original applications have been fully processed, deferred applications will be given priority.

## V. NET ASSET VALUE OF SHARES

### 1. DEFINITION AND CALCULATION OF NET ASSET VALUE

The calculation of the net asset value per share of each sub-fund and, where applicable, of each share class/category of the SICAV is carried out in Luxembourg by the Central Administration under the responsibility of the Board of Directors of the SICAV.

The net asset value is determined on each Valuation Day and calculated on the next Business Day as defined below for each sub-fund and/or each class and/or each category on the basis of the prices known on that Valuation Day, as published by the stock exchanges concerned and by reference to the value of the assets held on behalf of the sub-fund concerned in accordance with Article 13 of the SICAV's Articles of Association.

SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND	Each Business Day (hereinafter, the "Valuation Day") corresponds to a net asset value.
SEVEN UCITS – FORCE 5	Each Business Day (hereinafter, the "Valuation Day") corresponds to a net asset value.

For the purpose of establishing these various pools of net assets:

1. if two or more share classes/categories relate to a given sub-fund, the assets allocated to these classes and/or categories will be invested together in accordance with the investment policy of the sub-fund concerned, subject to the specific features of these share classes and/or categories;
2. the proceeds from the issue of shares of a given class and/or category of shares of a given sub-fund will be allocated in the books of the SICAV to the relevant class and/or category of this sub-fund, on the understanding that, if several classes and/or categories of shares are issued in respect of this sub-fund, the corresponding amount will increase the proportion of the net assets of this sub-fund attributable to the class and/or category of shares to be issued;
3. the assets, liabilities, income and expenses relating to these sub-funds/classes and/or categories will be allocated to these sub-funds/classes and/or categories;
4. when a credit is derived from an asset, this credit will be allocated, in the SICAV's books, to the same sub-fund to which the asset from which it is derived belongs, and each time a credit is revalued, the increase or decrease in value will be allocated to the corresponding sub-fund;
5. when the SICAV incurs a liability that is attributable to the assets of a given sub-fund or to a transaction carried out in relation to the assets of a given sub-fund, this liability will be attributed to that sub-fund;
6. in the event that an asset or liability of the SICAV cannot be allocated to a given sub-fund, such asset or liability shall be allocated to all the sub-funds in proportion to the net asset value of the share classes and/or categories concerned or in such other manner as the Board of Directors shall determine in good faith;

7. following the payment of dividends to distribution shares of a given class and/or category, the net asset value of this class and/or category attributable to these distribution shares will be reduced by the amount of these dividends.

The assets of each sub-fund of the SICAV will be valued according to the following principles:

1. UCI shares/units will be valued on the basis of their last official net asset value dated the Valuation Day, or unofficial if this is more recent (in this case on the basis of a probable net asset value, estimated prudently and in good faith by the Board of Directors, or on the basis of other sources such as information from the manager of the UCI);
2. the value of cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interest falling due but not yet received, shall be the nominal value of such assets, unless it is unlikely that such value can be received. In the latter case, the value will be determined by subtracting a certain amount that seems appropriate to reflect the real value of these assets;
3. the valuation of transferable securities (i) listed or traded on a regulated market within the meaning of the Law of 2010 or (ii) traded on another market of an EU Member State which is regulated, operates regularly, is recognised and open to the public or (iii) admitted to official listing on a stock exchange of a non-EU Member State or traded on another market of a non-EU Member State, regulated, regularly operated, recognised and open to the public (all three of which may also be referred to as a "Regulated Market"), is based on the last known closing price on the Valuation Day and, if these securities are traded on several markets, on the last known closing price on the main market for these securities on the Valuation Day. If the last known closing price on a given Valuation Day is not representative, the valuation will be based on the probable realisation value estimated prudently and in good faith;
4. transferable securities that are not listed or traded on a Regulated Market will be valued on the basis of their probable realisable value, estimated prudently and in good faith;
5. the liquidation value of futures and options contracts not traded on Regulated Markets will be their net liquidation value determined in accordance with the policies established by the Board of Directors, on a basis applied consistently to each type of contract. The liquidation value of futures or options contracts traded on Regulated Markets shall be based on the last available settlement price of such contracts on the Regulated Markets on which such futures or options contracts are traded by the SICAV; provided that if a futures or options contract cannot be liquidated on the day on which the net assets are valued, the basis for determining the liquidation value of such contract shall be determined by the Board of Directors in a fair and reasonable manner;
6. interest rate swaps will be valued at their market value, determined by reference to the applicable yield curve. Swaps on indices or financial instruments will be valued at their market value established by reference to the index or financial instrument concerned. The valuation of swap contracts relating to these indices or financial instruments will be based on the market value of these swap transactions in accordance with procedures established by the Board of Directors;



7. where practicable, liquid assets, money market instruments and all other instruments may be valued at the last closing price on the Valuation Day or using the straight-line amortisation method. In the case of straight-line amortisation, portfolio positions are reviewed regularly under the supervision of the Board of Directors to determine whether there is a difference between the valuation based on the last known closing price method and the straight-line amortisation method. If there is a discrepancy that could lead to significant dilution or harm shareholders, appropriate corrective measures may be taken, including, if necessary, calculating the net asset value using the last known closing prices;
8. the value of contracts for difference will be determined by reference to the market value of the underlying asset, taking into account the costs inherent in the transaction (i.e. borrowing costs, collateral remuneration or counterparty funding costs, as applicable);  
  
values expressed in a currency other than the currency of expression of the sub-fund or share class in question are converted at the exchange rate on the Valuation Day. If exchange rates are not available, they are determined prudently and in good faith in accordance with procedures established by the Board of Directors;
9. all other assets are valued on the basis of their probable realisable value, which must be estimated prudently and in good faith;
10. the Board of Directors may, at its discretion, permit the use of another valuation method if it considers that such a valuation better reflects the fair value of an asset of the SICAV.

Appropriate deductions will be made for expenses to be borne by the SICAV and the liabilities of the SICAV will be taken into account according to fair and prudent criteria. Appropriate provisions will be set aside for this purpose.

### **2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Board of Directors is authorised to temporarily suspend the calculation of the net asset value of one or more sub-funds of the SICAV, as well as the issues, redemptions and conversions of the shares of such sub-fund(s) in the following cases:

- a) when the net asset value of the shares or units of the underlying UCIs representing a substantial proportion of the sub-fund's investments cannot be determined;
- b) during all or part of a period during which one of the main stock exchanges or regulated markets on which a substantial part of the portfolio of one or more sub-funds is listed or traded is closed for any reason other than normal holidays or during which trading thereon is restricted or suspended;
- c) when the SICAV cannot normally dispose of or value the investments of one or more sub-funds or cannot do so without seriously prejudicing the interests of its shareholders;
- d) if the means of communication required to determine the price or value of the assets of one or more sub-funds are out of order or if, for any other reason, the value of the assets of one or more sub-funds cannot be determined;

- e) when the realisation of investments or the transfer of funds involved in the realisation of such investments cannot be carried out at normal prices or exchange rates, or when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of shares;
- f) where the Board of Directors so decides, subject to compliance with the principle of equal treatment of shareholders and applicable laws and regulations, (i) as soon as an Extraordinary General Meeting of shareholders of the SICAV is convened to decide on the liquidation of the SICAV or of a sub-fund, or (ii) where the Board of Directors has the power to do so, as soon as it decides to liquidate a sub-fund;
- g) as well as in all cases where the Board of Directors considers, in a reasoned resolution, that such a suspension is necessary to safeguard the general interests of the shareholders concerned.

Subscribers and shareholders offering shares for redemption or conversion will be notified of the suspension of the calculation of the net asset value.

Suspended subscriptions and redemption or conversion requests may be withdrawn by written notification, provided such notification is received by the SICAV before the suspension ends. In the event of significant redemption and/or conversion requests representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to redeem the shares only at the redemption price as determined after it has been able to sell the necessary assets as quickly as possible, taking into account the interests of all the sub-fund's shareholders, and after it has been able to dispose of the proceeds of these sales.

Pending subscriptions, redemptions and/or conversions will be taken into consideration on the first Valuation Day following the end of the suspension.

## VI. DISTRIBUTIONS

**At the date of the Prospectus, only accumulation shares will be issued and, consequently, the income from the shares is capitalised and their value is reflected in the net asset value per share.**

Should the Board of Directors decide to issue distribution shares, the following provisions will apply.

### **Distribution policy**

At the Annual General Meeting, the SICAV's shareholders will determine, on the proposal of the Board of Directors, the amount of cash distributions to be made to the distribution shares of the various sub-funds or share classes concerned, within the limits set by the Law of 2010 and the Articles of Association. Accordingly, the amounts distributed may not have the effect of reducing the SICAV's capital below the minimum capital of EUR 1,250,000.

The Board of Directors may decide, in each sub-fund and in each share class where applicable, to distribute interim cash dividends to the shares, in accordance with the legal provisions in force.

### **Payment**

Dividends and interim dividends allocated to distribution shares will be paid on the dates and at the places determined by the Board of Directors.

Any declared dividend that has not been claimed by its beneficiary within five years of its allocation may no longer be claimed and will revert to the sub-fund or share class concerned. No interest will be paid on a dividend declared by the SICAV and held by it at the disposal of its beneficiary.

## VII. TAXATION OF THE SICAV AND SHAREHOLDERS

### 1. TAX TREATMENT OF THE SICAV

The SICAV is subject in Luxembourg to a tax corresponding to 0.05% per annum of its net assets; this tax is reduced to 0.01% per annum of the net assets attributable to the share classes reserved for institutional investors. This tax is payable quarterly and is calculated on the basis of the SICAV's net assets at the end of the quarter in question. Subscription tax is not payable on units invested in UCIs already subject to this tax. No stamp duty or tax will be payable in Luxembourg on the issue of shares in the SICAV.

No tax is payable in Luxembourg on realised or unrealised capital gains on the SICAV's assets. Investment income received by the SICAV may be subject to varying rates of withholding tax in the countries concerned. In principle, these deductions cannot be reclaimed. The information given above is based on current laws and practices and may be subject to change.

### 2. AUTOMATIC EXCHANGE OF INFORMATION (CRS)

European Directive 2014/107/EU of 9 December 2014 (the "Directive") amending Directive 2011/16/EU as regards the automatic and compulsory exchange of information in the field of taxation, like other international agreements such as those made and to be made under the information exchange standard developed by the OECD, (more generally known as the "Common Reporting Standards" or "CRS"), requires participating jurisdictions to obtain information from their financial institutions and to exchange this information from 1 January 2016.

Under the Directive in particular, investment funds, as Financial Institutions, are required to collect specific information aimed at correctly identifying their Investors.

The Directive also stipulates that the personal and financial data<sup>1</sup> of each Investor, which are:

- natural or legal persons subject to declaration<sup>2</sup>, or
- passive non-financial entities (NFEs)<sup>3</sup> whose controlling persons are persons who must be declared<sup>4</sup>,

will be transmitted by the Financial Institution to the competent local tax authorities, which will in turn transmit this information to the tax authorities of the country or countries in which the Investor is resident.

If the SICAV's units are held in an account with a financial institution, it is the latter's responsibility to exchange the information.

<sup>1</sup> Such as, but not limited to: name, address, state of residence, tax identification number, date and place of birth, bank account number, amount of income, amount of proceeds from sale, redemption or repayment, valuation of the "account" at the end of the calendar year or closure of the "account".

<sup>2</sup> Natural or legal person not resident in the country of incorporation of the SICAV and resident in a participating country. The list of countries participating in the automatic exchange of information can be consulted at <http://www.oecd.org/tax/automatic-exchange/>

<sup>3</sup> Non-Financial Entities, i.e. Entities that are not Financial Institutions under the Directive.

<sup>4</sup> Natural or legal person not resident in the country of incorporation of the Fund and resident in a participating country. The list of countries participating in the automatic exchange of information can be consulted at <http://www.oecd.org/tax/automatic-exchange/>

Consequently, the SICAV, whether directly or indirectly (i.e. through an intermediary appointed for this purpose):

- may, at any time, request and obtain from each Investor an update of the documents and information already provided, as well as any other document or additional information for any purpose whatsoever;
- is required by the Directive to communicate all or part of the information provided by the Investor in connection with the investment in the SICAV to the competent local tax authorities.

The Investor is informed of the potential risk linked to an imprecise and/or erroneous exchange of information in the event that the information he has communicated is no longer accurate or complete. In the event of a change affecting the information communicated, the Investor undertakes to inform the SICAV (or any intermediary appointed for this purpose) as soon as possible and, where applicable, to issue a new certificate within 30 days of the event that rendered the information inaccurate or incomplete.

The mechanisms and scope of this information exchange system may change over time. Investors are advised to consult their own tax advisers to determine the impact that the CRS provisions may have on an investment in the SICAV.

In Luxembourg, in accordance with the law of 2 August 2002 on the protection of individuals with regard to the processing of personal data, the Investor has the right to access and rectify data relating to him which is communicated to the Tax Authorities. This data is kept by the SICAV (or by any intermediary appointed for this purpose) in accordance with the provisions of the same law.

### 3. **FATCA**

The foreign account tax compliance (FATCA) provisions of the Hiring Incentives to Restore Employment Act of 2010

The aim of the FATCA is to strengthen the fight against tax evasion by US taxpayers (individuals and entities). To this end, the provisions of the FATCA law require financial institutions established outside the United States ("Foreign Financial Institutions" or "FFIs") to transmit on an annual basis to the US tax authorities ("Internal Revenue Service" or "IRS") information on financial accounts held with them by "Specified US Persons" or "Non US Entities with one or more Controlling Person that is a Specified US Person" (referred to as "US Reportable Accounts").

A group of financial institutions established outside the United States, including banks, stockbrokers, custodians, asset managers and investment funds such as SICAVs, can be considered as FFIs.

In order to discourage FFIs from remaining outside this reporting regime, the provisions of FATCA provide for the withholding of a punitive tax of 30% on (i) US source income and (ii) the proceeds of the sale or transfer of assets that may generate US source income paid to an FFI that does not comply with the requirements of FATCA ("non-participating FFIs").

On 28 March 2014, the Grand Duchy of Luxembourg and the United States concluded an intergovernmental FATCA Model 1 Agreement ("IGA"). Under this IGA, Luxembourg investment funds are required to collect specific information aimed at identifying their shareholders or unit-holders and all intermediaries (nominee or otherwise) acting on their behalf. Information relating to "US reportable accounts" held by the investment funds, as well as information on non-participating FFIs, will be transmitted to the Luxembourg tax authorities, which will exchange it automatically with the government of the United States of America.

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The SICAV wishes to comply with the provisions of the IGA, or its transposition into Luxembourg law, in order to be deemed compliant with the FATCA law and not be subject to the 30% withholding tax in respect of its actual or deemed US investments. In order to ensure compliance, the SICAV – or any agent duly appointed for this purpose – may in particular

- (i) request additional information or documentation, including US tax forms (Forms W-8 / W-9), a GIIN (Global Intermediary Identification Number) if required, or any other documentary evidence relating to the identification of the shareholder, an intermediary, and their respective status under FATCA,
- (ii) communicate to the Luxembourg tax authorities information specific to a shareholder and his account if the latter is considered to be a US deferral account under the Luxembourg IGA, or if this account is considered to be held by an FFI that does not participate in the FATCA law,
- (iii) ensure the deduction of applicable US withholding taxes on payments made to certain shareholders, in accordance with the FATCA law, should the situation require it.

### 4. **DAC 6**

Directive (EU) 2018/822 amending EU Council Directive 2011/16 on the automatic and obligatory exchange of information in the field of taxation in relation to reportable cross-border arrangements, known as "DAC 6", entered into force on 25 June 2018. Luxembourg transposed it into national law on 25 March 2020, with an initial effective date of 1 January 2021.

The primary objective of the DAC 6 Directive is to ensure that Member States are able to obtain information on "potentially aggressive" cross-border tax arrangements, i.e. arrangements that are put in place in different jurisdictions that allow taxable profits to be transferred to more favourable tax regimes or that have the effect of reducing the taxpayer's total tax base.

As a result, from 1 January 2021, any intermediary (i.e. as defined in the DAC 6 Directive, any person who designs, markets or organises a cross-border device that is subject to a declaration, makes the device available for use or manages its use) is obliged to notify this device by means of a declaration,

## VIII. COSTS AND FEES

### 1. MAIN COSTS AND FEES OF THE SICAV

#### a) Establishment costs

The costs of setting up and launching the SICAV are estimated at EUR 50,000 and will be amortised over the first five financial years. If a new sub-fund is created during this five-year period, it will bear the costs of creating the SICAV that have not yet been amortised, in proportion to its net assets. During the same five-year period, and as a counterpart, the set-up costs of this new sub-fund will also be borne by the other sub-funds in proportion to the net assets of all the sub-funds. After this five-year period, the costs specifically linked to the creation of a new sub-fund will be amortised in full, as soon as they arise, against the assets of this sub-fund.

#### b) Management and performance fees

##### 1) Management Company fee

As remuneration for its management services, the Management Company receives from the SICAV, on its own behalf, an annual fee at the rate of:

Sub-Fund	Share	Rate
<b>SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND</b>	<b>EUR-I (cap)</b>	1% incl. VAT per year
	<b>EUR-R (cap)</b>	1.75% incl. VAT per year
	<b>USD-I (cap)</b>	1% incl. VAT per year
	<b>USD-R (cap)</b>	1.75% incl. VAT per year
	<b>CHF-I (cap)</b>	1% incl. VAT per year
	<b>CHF-R (cap)</b>	1.75% incl. VAT per year
<b>SEVEN UCITS – SEVEN FORCE 5</b>	<b>EUR-I (cap)</b>	1% incl. VAT per year
	<b>EUR-R (cap)</b>	1.5% incl. VAT per annum
	<b>USD-I (cap)</b>	1% incl. VAT per year
	<b>USD-R (cap)</b>	1.5% incl. VAT per annum
	<b>CHF-I (cap)</b>	1% incl. VAT per year
	<b>CHF-R (cap)</b>	1.5% incl. VAT per annum

This fee is payable and calculated on the basis of the current net assets of the sub-funds during the month under review.

In addition, the Management Company may receive from the SICAV, on its own behalf, on each transaction, a turnover fee of up to 0.20% (inclusive of tax) of the amount of the transaction carried out and, for each futures contract, from EUR 3 to EUR 15 per futures contract.

##### 2) Performance fee

##### (i) SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND Sub-Fund

The Management Company will receive a performance fee for each share class of the **SEVEN UCITS – SEVEN EUROPEAN EQUITY FUND** sub-fund.

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The performance fee is calculated by comparing the sub-fund's assets after operating and management costs with a benchmark asset that has performed identically to the benchmark over the calculation period, with the same variations due to subscriptions and redemptions by the sub-fund.

Performance fees are paid to the Management Company at the end of the financial year. For the first financial year, the performance fee will be deducted on 31 December 2015.

Each time the net asset value is calculated, the sub-fund's outperformance is defined as the difference between the sub-fund's net assets, before any provision for performance fees, and the benchmark asset, as defined above, which experiences the same subscription/redemption flows as the sub-fund and achieves the performance of the benchmark index (Euro Stoxx 50 Net Return, ticker Bloomberg SX5T Index).

Each time the net asset value is established, the performance fee, which is equal to 15% of the performance in excess of the Euro Stoxx 50 Net Return index, is subject to a provision, or a reversal of provision limited to the existing allocation.

If, over the financial year in question (i), over the last five years (ii), or since the last crystallisation date (iii), the performance of the sub-fund is less than that of the reference asset, the performance fee is nil and any underperformance in relation to the reference index must be made up before the performance fees become payable again.

It is specifically understood that for each class of units, all reference periods are reset to zero on 1 January 2022. For each unit class concerned, the benchmark net assets for the various periods correspond to the benchmark net assets at 31/12/2021.

If, during the year, the sub-fund outperforms the reference asset over the three reference periods, a provision for the outperformance fee will be made when calculating the net asset value.

The three reference periods used are:

- (i) The financial year in question, i.e. a 12-month period running from 1 January to 31 December each year;
- (ii) The period begins on the closing date of the 5th financial year preceding the net asset value calculation date;
- (iii) The period commencing on the last accounting closing date for which the provision for the performance fee has been crystallised, provided that this period does not exceed 5 years;

The performance fee will be charged when the three conditions listed above are met.

At the end of a reference period of 5 years, and in the absence of crystallisation, underperformance not made up prior to 5 years is erased.

For each sub-fund, the basis for calculating outperformance is the net assets after deduction of fixed management fees and before deduction of performance fees. These performance fees are charged directly to the sub-fund's income statement at each net asset value and deducted from the last net asset value of the calendar year. The provision, when positive, is therefore reset to zero each year.



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In the event of redemptions, the portion of the performance fee corresponding to the units redeemed is definitively acquired and received by the management company. With the exception of redemptions, the performance fee, when positive, is crystallised and paid to the management company on the closing date of each calculation period.

It is specifically stated that the performance fee is not conditional on the sub-fund achieving a positive performance. It is therefore possible for the sub-fund to pay the Management Company a performance fee if it outperforms over the three reference periods, even though the sub-fund's net asset value posted a negative performance over the financial year in question.

The provision is definitively crystallised and acquired at the end of each financial year.

### ILLUSTRATION

Year	Fund performance	Index performance	Out-/underperformance	Cumulative underperformance	Performance Fee
Y1	5	3	2		YES
Y2	-4	-6	2		YES *
Y3	4	0	4		YES
Y4	-7	-2	-5	-5	NO
Y5	7	9	-2	-7	NO
Y6	3	2	1	-6	NO
Y7	-2	-3	1	-5	NO
Y8	2	2	0	-5	NO
Y9	4	1	3		YES **
Y10	2	1	1		YES
Y11	2	-1	3		YES
Y12	3	5	-2	-2	NO
Y13	2	0	2		NO
Y14	2	1	1		YES
Y15	1	4	-3	-3	NO
Y16	3	0	3		NO
Y17	1	-2	3		YES
Y18	2	2	0		NO
Y19	2	0	2		YES

\* The performance fee is paid when there is an outperformance, including in the event of a negative performance

\*\* Y4's unrecovered underperformance is outside its 5-year history

At the end of a 5-year observation period, uncompensated underperformance is erased

### (ii) SEVEN UCITS – SEVEN FORCE 5 Sub-Fund

For each share class of the **SEVEN UCITS – SEVEN FORCE 5** sub-fund, the Management Company will receive a performance fee (variable management fee) equivalent to 10% of the outperformance of the class compared to the benchmark rate (€STR), with a minimum of 0%.

The performance fee is calculated by comparing the sub-fund's assets after operating and management costs with a benchmark asset that has performed identically to the benchmark over the calculation period, with the same variations due to subscriptions and redemptions by the sub-fund.

Performance fees are paid to the Management Company at the end of the financial year. For the first financial year, the performance fee will be deducted on 31 December 2015. Between two closings, the provision for performance fees is adjusted at each net asset value by adding to/reversing the provision.

Reversals of provisions are capped at the amount of the allocations. Allocations are incremented only if performance has exceeded the threshold since the last financial year-end when a variable commission was paid (or since the fund was launched).

Performance fees follow the "High on High" principle: no performance fee is paid at the end of the financial year until the performance has exceeded the highest level at the end of the financial year for which the performance fee has been crystallised (i.e. since the last time a performance fee was paid).

The "High on High" only serves as a condition for the payment of the performance but is not involved in determining the performance. Performance is always calculated as the difference between the sub-fund's net assets before performance fees and the benchmark net assets defined above.

The "high on high"<sup>5</sup> principle is combined with a condition that the sub-fund outperforms the benchmark asset defined above. A provision will therefore be made for performance fees when i) the performance of the sub-fund exceeds that of the reference asset since the last crystallisation date (or, failing that, since inception) and ii) the net asset value of the sub-fund is above the highest closing price for which the performance fee has been crystallised.

For each sub-fund, the basis for calculating outperformance is the net assets after deduction of fixed management fees and before deduction of performance fees. These performance fees are charged directly to the sub-fund's income statement at each net asset value and deducted from the last net asset value of the calendar year. The provision, when positive, is therefore reset to zero each year.

In the event of redemption, a proportion of the provision for variable management fees on the assets recorded in the accounts at the time of the last valuation is, pro rata to the number of units redeemed, definitively allocated to a specific third-party account. This proportion of variable management fees is definitively acquired by the management company on redemption.

The provision is definitively crystallised and acquired at the end of each financial year.

***The Board of Directors wishes to draw investors' attention to the fact that this method of calculating the performance fee may lead to distortions between changes in the net asset value per share of each class compared with the others.***

### **c) Custodian and Paying Agent Fees**

As remuneration for its activity as custodian bank for the SICAV, the Custodian will receive a fee from the SICAV in accordance with the provisions set out in the Custodian Agreement.

### **d) Domiciliary Agent, Shareholder, Administrative Agent, Registrar and Transfer Agent Fees**

As remuneration for its activity, the SICAV's Domiciliary Agent will receive a fixed annual fee of a maximum of EUR 10,000, in accordance with the provisions set out in the Domiciliation Agreement.

The Administrative, Registrar and Transfer Agent will receive an annual variable fee applied per sub-fund, payable in twelfths at the end of each month and calculated on the net assets of the structure at the end of the month at a maximum rate of 0.045% with a minimum of EUR 80,000 per year for the structure. The Agent will charge the fees in accordance with the provisions set out in the Central Administration Contract.

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<sup>5</sup> ESMA definition of "High on High": "Performance fee model whereby the performance fee may only be charged if the NAV exceeds the NAV at which the performance fee was last crystallised".

## **2. OTHER COSTS BORNE BY THE SICAV**

The SICAV bears all its other operating expenses, including, without limitation, the costs of establishing the SICAV and subsequently amending its Articles of Association and other constitutive documents; the fees and expenses payable to paying agents, the Custodian's correspondents, and other agents and employees of the SICAV, as well as to the SICAV's permanent representatives in the countries where it is required to be registered; legal and audit fees relating to the SICAV's annual accounts; marketing expenses; the costs of printing and publishing the share offering documents; the costs of printing the annual and interim financial reports; the costs of holding shareholders' meetings and Board meetings; the reasonable travel expenses of directors and officers; directors' fees; registration filing fees; all taxes and duties levied by governmental authorities and stock exchanges; the costs of publishing issue and redemption prices; and all other operating expenses, including bank and financial charges. Brokerage or research fees incurred in the purchase or sale of assets, as well as those applicable in the event of the financial manager's participation in a commission-sharing agreement. This term refers to the system for settling commissions granted to participating brokers by the financial manager, which are then used to pay external research providers. Participating brokers agree to waive commission payments due to the research provider based on research provided to the financial manager. In this case, the broker retains the balance of the commission for the year of the transaction. Miscellaneous administrative costs are also covered.

The SICAV may charge marketing costs of up to 0.10% of assets under management.

Costs and expenses that are not attributable to a particular sub-fund will be charged to the various sub-funds in proportion to their respective net assets.

## **IX. FINANCIAL YEAR – MEETINGS**

### **1. FINANCIAL YEAR**

The financial year begins on 1 January and ends on 31 December of each year, with the exception of the first financial year which began on the date of incorporation of the SICAV and will end on 31 December 2015.

### **2. MEETINGS**

The Annual General Meeting will be held in Luxembourg, at the registered office of the SICAV, or at any other place to be specified in the notice of meeting, on the last Wednesday of April at 10:00 a.m. and for the first time in 2016.

If this day is not a Business Day in Luxembourg, the Annual General Meeting will be held on the first Business Day thereafter.

Notices of Annual General Meetings specifying the date, time, place, conditions of admission, agenda and the necessary quorum and majority requirements under Luxembourg law will be published and sent in accordance with Luxembourg law.

The shareholders of the share class(es) issued in respect of a sub-fund may, at any time, hold General Meetings for the purpose of deliberating on matters relating solely to that sub-fund.

In addition, the shareholders of any class/category of shares may, at any time, hold General Meetings for the purpose of deliberating on matters relating solely to that class/category.

Resolutions passed at such meetings apply respectively to the SICAV, the sub-fund and/or the share class/category concerned.

## **X. DISSOLUTION AND LIQUIDATION OF THE SICAV**

### **1. GENERAL INFORMATION**

The SICAV may be dissolved voluntarily or by court order.

After dissolution, the SICAV is deemed to exist for the purpose of liquidation. In the event of voluntary liquidation, it remains subject to supervision by the CSSF.

The net proceeds of the liquidation of each sub-fund and of each share class/category, where applicable, shall be distributed by the liquidators to the shareholders in proportion to their share of the net assets of the sub-fund or of the share class/category to which such shares belong, in accordance with the provisions of the Articles of Association.

Liquidation proceeds that cannot be distributed to their beneficiaries within nine months of the decision to liquidate will be deposited with the Caisse de Consignation in Luxembourg in favour of their beneficiaries until the end of the statutory limitation period.

### **2. VOLUNTARY LIQUIDATION**

In the event of a voluntary liquidation, this would be carried out in accordance with the Law of 2010 and the Law of 1915, which define the procedure and measures to be taken.

The SICAV may be dissolved at any time by a decision of the General Meeting of Shareholders ruling in the same way as for amendments to the Articles of Association.

Furthermore, if the SICAV's capital falls below two-thirds of the minimum capital, currently EUR 1,250,000, the Board of Directors must submit the question of the SICAV's dissolution to the General Meeting of Shareholders, which deliberates without any attendance requirement and decides by a simple majority of the shares present or represented at the meeting. If the capital falls below one quarter of the minimum capital, the Board of Directors must submit the question of dissolution of the SICAV to the General Meeting of Shareholders, which deliberates without any attendance requirement; dissolution may be decided by shareholders holding one quarter of the shares present or represented at the meeting. The meeting must be convened in such a way that it is held within forty days of it being established that the net assets have fallen below two-thirds or one-quarter of the minimum capital, respectively.

In the event of the dissolution of the SICAV, liquidation shall be carried out by one or more liquidators, who may be natural persons or legal entities, approved in advance by the CSSF and appointed by the General Meeting, which shall determine their powers and remuneration.

### **3. COMPULSORY LIQUIDATION**

In the event of a compulsory liquidation, this would be carried out exclusively in accordance with the Law of 2010, which defines the procedure and measures to be taken.

## **XI. LIQUIDATION AND MERGER OF SUB-FUNDS, CLASSES OR CATEGORIES OF SHARES**

The Board of Directors may decide to liquidate a sub-fund, class or category of shares if the net assets of this sub-fund, class or category fall below an amount below which the sub-fund, class or category of shares can no longer be managed adequately with a view to achieving economic rationalisation, or if a change in the economic or political situation has an influence on the sub-fund, class or category of shares in question, justifying such liquidation.

The decision to liquidate will be notified to the shareholders of the sub-fund, share class or category before the effective date of liquidation. The notification will indicate the reasons for the liquidation and the liquidation procedure. Shareholders will be informed of the decision to close the sub-fund, share class or category and of the terms and conditions thereof by means of a notice to shareholders or in the press. This notice will be published in one or more Luxembourg newspapers and in one or more newspapers with national circulation in the countries where the shares will be distributed.

Unless the Board of Directors decides otherwise in the interests of the shareholders or in order to maintain fair treatment between them, shareholders of the sub-fund, class or category of shares concerned may continue to request the redemption or conversion of their shares, free of charge, on the basis of the applicable net asset value, taking into account an estimate of the liquidation costs. The SICAV will reimburse each shareholder in proportion to the number of shares held in the sub-fund, share class or share category. Liquidation proceeds which cannot be distributed to their beneficiaries within nine months of the decision to liquidate the sub-fund, class or category of shares shall be deposited with the Caisse de Consignation in favour of their beneficiaries until the end of the statutory limitation period.

In the same circumstances as those described above, the Board of Directors may decide to close a sub-fund, class or category of shares by merging it with another sub-fund, class or category of shares of the SICAV. Such a merger may also be decided by the Board of Directors if the interests of the shareholders of the sub-funds, classes or categories of shares concerned so require. This decision will be published in the same way as described above. The publication will contain information relating to the new sub-fund, class or category of shares. Publication will be made at least one month before the merger becomes effective to enable shareholders to request the redemption or conversion of their shares, free of charge, before the transaction becomes effective. At the end of this period, all remaining shareholders will be bound by the decision.

In the same circumstances as those described above, the Board of Directors has the power to decide to close a sub-fund, a class or a category of shares by transferring them to another sub-fund or another Luxembourg or foreign undertaking for collective investment in transferable securities governed by Directive 2009/65/EC of 13 July 2009, or a class or category of shares within such another undertaking for collective investment governed by Luxembourg law. The Board of Directors may also decide to make such a contribution if the interests of the shareholders of the sub-fund, class or category of shares in question so require. This decision will be published in the same way as described above. The publication will contain information relating to this collective investment undertaking. Publication will be made at least one month before the date on which the contribution takes effect, to enable shareholders to request the redemption or conversion of their shares, free of charge, before the contribution to this undertaking for collective investment becomes effective. At the end of this period, all remaining shareholders will be bound by the decision.

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If the shares are contributed to a collective investment undertaking established in the form of a common fund (fonds commun de placement) under Luxembourg law, the contribution will only be binding on the shareholders of the sub-fund, class or category of shares concerned if they expressly accept the contribution by a unanimous vote of all the shareholders of the sub-fund, class or category of shares concerned. If this condition is not met, only the shareholders who voted in favour of the contribution will be bound by the decision; the remaining shareholders will be deemed to have requested the redemption of their shares.

## XII. INFORMATION – DOCUMENTS AVAILABLE

### 1. INFORMATION AVAILABLE

#### a) Publication of net asset value

The net asset value of each share class and/or category of each sub-fund, the issue prices and the redemption prices are published on each Valuation Day at the registered office of the SICAV. The Board of Directors may decide at a later date to publish these net asset values in the newspapers of the countries in which the SICAV's shares are offered or sold. They may also be obtained from the Management Company.

#### b) Notice to shareholders

Notices to shareholders will be published in a newspaper in the country where the SICAV is marketed, where such publication is required by the laws and regulations applicable there.

#### c) Periodic reports

Each year, the SICAV publishes a detailed report on its activities and the management of its assets, including the consolidated balance sheet and profit and loss account expressed in euros, a detailed breakdown of the assets of each sub-fund and the auditor's report.

In addition, at the end of each half-year, it publishes a report including the composition of the portfolio, movements in the portfolio over the period, the number of shares in circulation and the number of shares issued and redeemed since the last publication.

The Board of Directors of the SICAV may decide to publish interim reports.

### 2. DOCUMENTS AVAILABLE TO THE PUBLIC

#### a) Documents available

In addition to the Prospectus, the KID and the latest published annual and half-yearly reports of the SICAV, copies of the following documents may be obtained, free of charge, during office hours on any Business Day from the registered office of the SICAV, 14, Boulevard Royal, L-2449 Luxembourg:

- (i) the Articles of Association;
- (ii) the collective portfolio management framework agreement between the SICAV and SEVEN CAPITAL MANAGEMENT;
- (iii) the Custodian Agreement between the SICAV, SEVEN CAPITAL MANAGEMENT and Banque de Luxembourg;
- (iv) the central administration agreement between the Management Company, UI efa S.A. and the SICAV;
- (v) the Domiciliation Agreement between Banque de Luxembourg and the SICAV;

Copies of the Prospectus, the KID, the Articles of Association and the latest annual and half-yearly reports can also be consulted on the following websites: [www.fundsquare.com](http://www.fundsquare.com) and the management company's website [www.seven-cm.com](http://www.seven-cm.com).



Information concerning the procedures for handling investor complaints and a brief description of the strategy put in place by the Management Company to determine when and how the voting rights attached to the instruments held in the Company's portfolio should be exercised can be consulted on the Management Company's website: [www.seven-cm.com](http://www.seven-cm.com).

**b) Subscription form**

The subscription form may be obtained on request from the Registrar and Transfer Agent.

**c) Official language**

The official language of the Prospectus and the Articles of Association is French, provided however that the SICAV's Board of Directors and the Custodian, the Administrative Agent, the Domiciliary Agent, the Registrar and the Management Company may, on their behalf and on behalf of the SICAV, consider translations into the languages of the countries in which the SICAV's shares are offered and sold to be mandatory. In the event of any discrepancy between the French text and any other language into which the Prospectus is translated, the French text shall prevail.

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

**Product name:**

SEVEN UCITS - European Equity

**Legal entity identifier:** 5493000WMUV3GLU9ZD65

## Environmental and/or social characteristics

### Sustainable investment

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

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

### 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 and social (E/S) characteristics** and, while it does not have a sustainable investment as its objective, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**.

### 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 objective of the Seven European Equity sub-fund (the "**Sub-Fund**") is to outperform the STOXX Europe 50 index (dividends reinvested) on a regular basis, net of management fees, over an investment horizon of five (5) years through dynamic management, while integrating environmental, social and governance (ESG) criteria into the investment process using a "Best in Universe" approach.

The STOXX Europe 50 (dividends reinvested) index does not integrate social, environmental and governance characteristics, but it is considered that this does not prejudice the environmental and social objectives promoted by this financial product.

The Sub-Fund integrates environmental, social and governance (ESG) criteria into the investment process using a "Best in Universe" approach. The rating methodology is provided by an external company and is based on ESG criteria. This involves scoring 148 key points on the following themes:

- **For the Environment pillar:** climate change, natural resources, pollution and waste, environmental investment,
- **For the Social pillar:** human capital, product reliability, social controversies, social investment,
- **For the Societal pillar:** supply chain, human rights, business ethics and
- **For the Governance pillar:** corporate governance and ethical, competitive and tax policies.

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

The Sub-Fund's investment process consists of several stages based on a combination of financial and non-financial criteria. The sustainability indicator used in the non-financial section is the [ESG rating](#) (supplemented by a "Best in Universe" approach, explained in more detail below).

[ESG companies are selected](#) using a "Best in Class" approach, which consists of ranking all the companies in each sector of the potential investment universe according to their ESG rating, in order to exclude the bottom quintile. At the end of this filtering process, the Sub-Fund's investment universe is determined.

At the end of the ESG screening process, the Management Company proceeds to an exclusion on the basis of controversy. Any company with a level of controversy considered to be significant or severe is excluded from the investment universe. This exclusion list is updated quarterly.

● ***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

- ***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

**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](#)

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](#)

*The EU taxonomy sets out a "do no significant harm" principle by which taxonomy-aligned investments should not significantly harm EU taxonomy objectives and is accompanied by specific EU criteria.*

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

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



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

☐ Yes

☒ No



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

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

The Sub-Fund's investment strategy is based on quantitative and fundamental management. The fund's investment universe is determined using an ESG filter. Seven Capital Management (the "**Management Company**") will endeavour to diversify the portfolio across the main sectors and geographical areas and, after applying the ESG filter, will give priority to selecting securities using a fundamental approach.

Investments will be made in large-capitalisation equities up to 100% of net assets, and in medium-capitalisation securities (capitalisation below EUR 5 billion) up to a maximum of 30% of net assets. The portfolio will not be invested in micro-capitalisation stocks (capitalisation of less than EUR 150 million). The Management Company may invest up to 20% of its assets in emerging European markets. The aim of our ESG integration strategy is to ensure that the Management Company is fully aware of the major risks and opportunities represented by potential investments by adding additional levels of scrutiny and due diligence to our financial performance analysis and decision-making process.

The investment process is as follows:

### **A) ESG ratings of companies in the initial investment universe**

The initial investment universe is made up of companies from European Union countries and the Eurozone, with a daily trading volume of more than EUR 10 million and an ESG rating from Etho Finance.

The initial investment universe therefore includes companies with few or no sustainable characteristics. ESG ratings range from 0 (lowest score) to 100 (highest score).

ESG companies are selected using a "Best in Class" approach, which consists of ranking all the companies in each sector of the potential investment universe according to their ESG rating, in order to exclude the bottom quintile. At the end of this filtering process, the Sub-Fund's investment universe is determined.

### **B) Quantitative and fundamental financial analysis**

The Management Company seeks to select securities and companies that combine profitability potential with satisfactory ESG characteristics. The ESG criteria are then used to reduce the universe, followed by a discretionary approach to stock selection based on quantitative and fundamental criteria for securities and companies.

### **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 proportion of ESG-rated companies and Article 8 and 9 UCITS within the meaning of the European SFDR Regulation will be over 90% on a long-term basis (excluding deposits and cash).

ESG ratings for the fund universe are updated every six months. If a company loses its ESG rating, the management team replaces it within 30 days with a new eligible company.

At the end of the ESG screening process, the Management Company proceeds to an exclusion on the basis of controversy. Any company with a level of controversy considered to be significant or severe is excluded from the investment universe. This exclusion list is updated quarterly.

The Sub-Fund also excludes 20% of companies, as mentioned in the following question "What is the minimum commitment rate to reduce the scope of investments committed prior to the application of this investment strategy?".

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

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

ESG companies are selected using a "Best in Class" approach, which consists of ranking all the companies in each sector of the potential investment universe according to their ESG rating, in order to exclude the bottom quintile. At the end of this filtering process, the Sub-Fund's investment universe is determined.

The ESG filter applied allows the Sub-Fund to exclude 20% of the companies in the potential investment universe, corresponding to the companies with the lowest ESG rating.

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

The ESG ratings used to filter the investment universe take good governance practices into account. As a result, a company with poor governance practices will necessarily see its ESG rating impacted, which will be reflected in the investment universe through the ESG screening process.

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

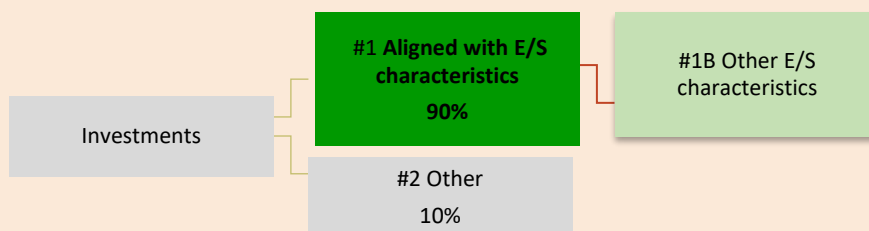
As already mentioned under the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?", the proportion of ESG-rated companies and Article 8 and 9 UCITS within the meaning of the European SFDR Regulation will be over 90% on a long-term basis (excluding deposits and cash). The ESG filter applied allows the Sub-Fund to exclude 20% of the companies in the potential investment universe, corresponding to the companies with the lowest ESG rating.

As a result, up to 10% of companies may not be aligned on E/S characteristics (#2 Other). A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of 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.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- Sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives;
- 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?**

In order to achieve the environmental or social characteristics, derivatives are generally not taken into account when calculating the minimum rates presented in the previous sections. The only exception is the use of Contracts for Difference (CFDs). These are deemed relevant to achieving the environmental or social characteristics, and are therefore taken into account in calculating the minimum rates on the basis of the ESG criteria of the underlying investments.



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

As the percentage of investments in the Taxonomy-aligned Sub-Fund is 0%, this question does not apply.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>6</sup>?**



Yes:



In fossil gas

In



nuclear energy



No

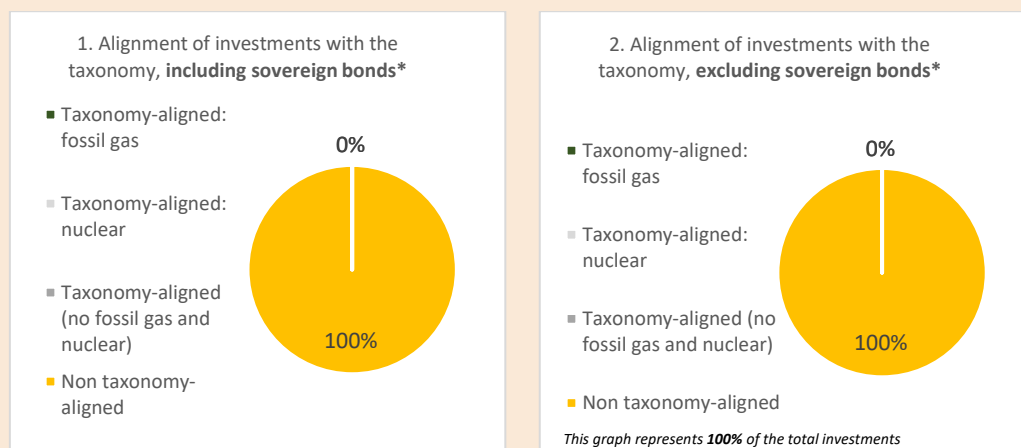
To comply with the EU taxonomy, the criteria for **fossil gas** include emission limits and a switch to renewable electricity or low-carbon fuels by the end of 2035.

As far as **nuclear energy** is concerned, the criteria include comprehensive rules on nuclear safety and waste management.

**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 the minimum percentage of investments 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.

<sup>6</sup> Fossil gas and/or nuclear activities only comply with the EU taxonomy if they contribute to limiting climate change ("change") and do not cause significant harm to any objective of the EU taxonomy – see explanatory note in the left margin. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU taxonomy are defined in Commission Delegated Regulation (EU) 202/1214.

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

Not applicable

 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?**

Not applicable



- **What is the minimum share of socially sustainable investments?**

Not applicable



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

The proportion of non-ESG-rated companies (including derivatives) and UCITS not categorised under articles 8 and 9 within the meaning of European SFDR regulations may be up to 10% (excluding deposits and cash).



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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



More product-specific information can be found on the website: [www.seven-cm.com](http://www.seven-cm.com)



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

**Product name:**

SEVEN UCITS - Force 5

**Legal entity identifier:** 549300HS6H88MIQ8KH09

## Environmental and/or social characteristics

### Sustainable investment

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

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

### 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 and social (E/S) characteristics** and, while it does not have a sustainable investment as its objective, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**.

### 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 objective of the Seven Force 5 sub-fund (the "**Sub-Fund**") is to offer, over an investment horizon of five (5) years, a regular performance net of management fees that exceeds that of the capitalised €ster index through dynamic management, while integrating environmental, social and governance (ESG) criteria into the investment process using a "Best in Universe" approach.

The €ster index does not integrate social, environmental and governance characteristics, but it is considered that this does not prejudice the environmental and social objectives promoted by this financial product.

The Sub-Fund integrates environmental, social and governance (ESG) criteria into the investment process using a "Best in Universe" approach. The rating methodology is provided by an external company and is based on ESG criteria. This involves scoring 148 key points on the following themes:

- **For the Environment pillar:** climate change, natural resources, pollution and waste, environmental investment,
- **For the Social pillar:** human capital, product reliability, social controversies, social investment,
- **For the Societal pillar:** supply chain, human rights, business ethics and
- **For the Governance pillar:** corporate governance and ethical, competitive and tax policies.

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

The Sub-Fund's investment process consists of several stages based on a combination of financial and non-financial criteria. The sustainability indicator used for the non-financial part is the **ESG rating** (supplemented by a 'Best in Universe' approach, explained in more detail below) and the **sector exclusion**.

**ESG companies** are selected using a "Best in Class" approach, which consists of ranking all the companies in each sector of the potential investment universe according to their ESG rating, in order to exclude the bottom quintile. At the end of this filtering process, the Sub-Fund's investment universe is determined.

At the end of the ESG screening process, the Management Company proceeds to an exclusion on the basis of controversy. Any company with a level of controversy considered to be significant or severe is excluded from the investment universe. This exclusion list is updated quarterly.

● ***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

● ***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

**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](#)

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](#)

*The EU taxonomy sets out a "do no significant harm" principle by which taxonomy-aligned investments should not significantly harm EU taxonomy objectives and is accompanied by specific EU criteria.*

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

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



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

☐ Yes

☒ No



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

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

The Sub-Fund's investment strategy is based on quantitative and fundamental management. The fund's investment universe is determined using an ESG filter. Seven Capital Management (the "**Management Company**") will endeavour to diversify the portfolio across the main sectors and geographical areas and, after applying the ESG filter, will give priority to selecting securities using a fundamental approach.

Investments will be made in large-capitalisation equities up to 90% of net assets, and in medium-capitalisation securities (capitalisation below EUR 5 billion) up to a maximum of 90% of net assets. The portfolio will not be invested in micro-capitalisation stocks (capitalisation of less than EUR 150 million). The Management Company may invest up to 20% of its assets in emerging European markets. The aim of our ESG integration strategy is to ensure that the Management Company is fully aware of the major risks and opportunities represented by potential investments by adding additional levels of scrutiny and due diligence to our financial performance analysis and decision-making process.

The investment process is as follows:

### **A) ESG ratings of companies in the initial investment universe**

The initial investment universe is made up of companies from European Union countries and the Eurozone, with a daily trading volume of more than EUR 10 million and an ESG rating from Ethic Finance.

The initial investment universe therefore includes companies with few or no sustainable characteristics. ESG ratings range from 0 (lowest score) to 100 (highest score).

ESG companies are selected using a "Best in Class" approach, which consists of ranking all the companies in each sector of the potential investment universe according to their ESG rating, in order to exclude the bottom quintile. At the end of this filtering process, the Sub-Fund's investment universe is determined.

### **B) Quantitative and fundamental financial analysis**

The Management Company seeks to select securities and companies that combine profitability potential with satisfactory ESG characteristics. The ESG criteria are then used to reduce the universe, followed by a discretionary approach to stock selection based on quantitative and fundamental criteria for securities and companies.

● ***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 proportion of ESG-rated companies and Article 8 and 9 UCITS within the meaning of the European SFDR Regulation will be over 90% on a long-term basis (excluding deposits and cash).

ESG ratings for the fund universe are updated every six months. If a company loses its ESG rating, the management team replaces it within 30 days with a new eligible company.

At the end of the ESG screening process, the Management Company proceeds to an exclusion on the basis of controversy. Any company with a level of controversy considered to be significant or severe is excluded from the investment universe. This exclusion list is updated quarterly.

The Sub-Fund also excludes 20% of companies, as mentioned in the following question "What is the minimum commitment rate to reduce the scope of investments committed prior to the application of this investment strategy?".

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

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

ESG companies are selected using a "Best in Class" approach, which consists of ranking all the companies in each sector of the potential investment universe according to their ESG rating, in order to exclude the bottom quintile. At the end of this filtering process, the Sub-Fund's investment universe is determined.

The ESG filter applied allows the Sub-Fund to exclude 20% of the companies in the potential investment universe, corresponding to the companies with the lowest ESG rating.

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

The ESG ratings used to filter the investment universe take good governance practices into account. As a result, a company with poor governance practices will necessarily see its ESG rating impacted, which will be reflected in the investment universe through the ESG screening process.

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

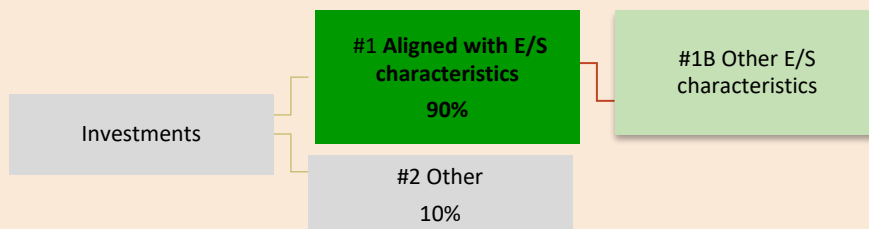
As already mentioned under the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?", the proportion of ESG-rated companies and Article 8 and 9 UCITS within the meaning of the European SFDR Regulation will be over 90% on a long-term basis (excluding deposits and cash). The ESG filter applied allows the Sub-Fund to exclude 20% of the companies in the potential investment universe, corresponding to the companies with the lowest ESG rating.

As a result, up to 10% of companies may not be aligned on I/O characteristics (#2 Other). A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of 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.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- Sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives;
- 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?**

In order to achieve the environmental or social characteristics, derivatives are generally not taken into account when calculating the minimum rates presented in the previous sections. The only exception is the use of Contracts for Difference (CFDs). These are deemed relevant to achieving the environmental or social characteristics, and are therefore taken into account in calculating the minimum rates on the basis of the ESG criteria of the underlying investments.



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

As the percentage of investments in the Taxonomy-aligned Sub-Fund is 0%, this question does not apply.

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



Yes:



In fossil gas

In



nuclear energy



No

To comply with the EU taxonomy, the criteria for **fossil gas** include emission limits and a switch to renewable electricity or low-carbon fuels by the end of 2035.

As far as **nuclear energy** is concerned, the criteria include comprehensive rules on nuclear safety and waste management.

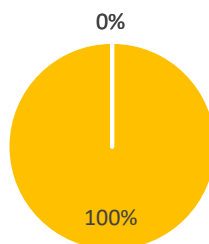
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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 the minimum percentage of investments 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.*

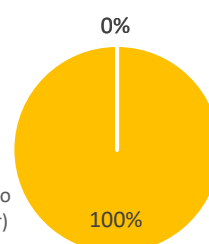
1. Alignment of investments with the taxonomy, including sovereign bonds\*

- Taxonomy-aligned: fossil gas
- Taxonomy-aligned: nuclear
- Taxonomy-aligned (no fossil gas and nuclear)
- Non taxonomy-aligned



2. Alignment of investments with the taxonomy, excluding sovereign bonds\*

- Taxonomy-aligned: fossil gas
- Taxonomy-aligned: nuclear
- Taxonomy-aligned (no fossil gas and nuclear)
- Non taxonomy-aligned



*This graph represents 100% of the total investments*

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

<sup>7</sup> Fossil gas and/or nuclear activities only comply with the EU taxonomy if they contribute to limiting climate change ("change") and do not cause significant harm to any objective of the EU taxonomy – see explanatory note in the left margin. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU taxonomy are defined in Commission Delegated Regulation (EU) 202/1214.

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

Not applicable

 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?**

Not applicable



- **What is the minimum share of socially sustainable investments?**

Not applicable



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

The proportion of non-ESG-rated companies (including derivatives) and UCITS not categorised under articles 8 and 9 within the meaning of European SFDR regulations may be up to 10% (excluding deposits and cash).



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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



More product-specific information can be found on the website: [www.seven-cm.com](http://www.seven-cm.com)