

The Directors whose names appear in the section of the Prospectus entitled "Management and Administration" are the persons responsible for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. The Directors accept responsibility accordingly.

**If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

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## **SILVERCROSS GLOBAL SMALL-CAP FUND**

*(A sub-fund of Ardan UCITS ICAV an Irish collective asset-management vehicle with variable capital constituted as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))*

### **SUPPLEMENT**

**DATED: 16 MARCH 2022**

**DELEGATE INVESTMENT MANAGER AND DISTRIBUTOR**

**IBS FUND MANAGEMENT BV**

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This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 26 September 2019 as may be amended or updated from time to time (the "Prospectus") in relation to the ICAV and contains information relating to Silvercross Global Small-Cap Fund (the "Fund") which is a separate portfolio of the ICAV.

The Fund may also invest substantially in cash deposits or money market instruments for temporary defensive purposes as described in the investment policy of the Fund. Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund and in particular to the risk that the value of the principal invested in the Fund may fluctuate.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Fund is accessible only to investors who have the experience and knowledge to assess, understand and accept the characteristics and risks of the Fund.

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## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

- "Application Form"** means the form approved by the Directors, which must be completed by investors wishing to subscribe for Shares;
- "Base Currency"** means the base currency of the Fund which shall be euro, noted as "EUR";
- "Business Day"** means, unless otherwise determined by the Directors, a day excluding Saturday or Sunday on which banks are normally open for business in Dublin, Amsterdam and/or London;
- "Calculation Period"** the Performance Fee in respect of the relevant Class will be calculated in respect of each financial period of the Fund ending on:
- (i) the last Business Day in December in each year;
  - (ii) the effective date of the redemption of any Share; or
  - (iii) the final payment to a Shareholder following termination of the Fund.

The first Calculation Period in respect of the relevant Class is the period commencing on:

- (i) the first Dealing Day after the Initial Offer Period closes;
- and ending on the earliest of:
- (i) the last Business Day in December 2022;
  - (ii) the effective date of the redemption of any Share, if prior to the last Business Day in December 2022; or
  - (iii) the final payment to a Shareholder following termination of the Fund, if prior to the last Business Day in December 2022.
- "Dealing Day"** means such Business Day or Business Days as the Directors from time to time may determine, provided that, unless otherwise determined and notified in advance to Shareholders, each Business Day shall be a dealing day and provided further that there shall be at least two dealing days per month;
- "Dealing Deadline"** means 11am (Irish time) on the Dealing Day or on an exceptional basis only, such later time as the Directors may from time to time approve and permit provided the exceptional circumstances under which the application was received is fully documented by the Directors and provided further that the Dealing Deadline shall not be later than the Valuation Point;

<b>"Disclosures Regulation"</b>	means the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;
<b>"Hurdle Rate"</b>	means the return of the Index, which is relevant in the context of the Fund's investment policy as the Fund measures its performance against the Index.
<b>"Hurdle Rate Adjusted Net Asset Value"</b>	means the Net Asset Value of the relevant Class as at the end of the last Calculation Period after which a Performance Fee was paid, increased on each Dealing Day by the value of any subscriptions and reduced pro rata by the value of any redemptions on each Dealing Day, and increased or reduced by the Hurdle Rate over the course of such period, divided by the number of Shares in issue for the relevant Class at each Valuation Point.
<b>"Investments"</b>	means any securities, instruments or obligations of whatsoever nature in which the Fund may invest;
<b>"Delegate Investment Manager"</b>	IBS Fund Management BV;
<b>"Delegate Investment Management Agreement"</b>	means the investment management and distribution agreement dated on or about the date of this Supplement, between the ICAV, the Manager and the Delegate Investment Manager, as may be amended from time to time;
<b>"Money Market Instruments"</b>	means eligible ancillary liquid assets including cash deposits, short term debt securities, certificates of deposit, bankers acceptances, commercial paper and treasury bills;
<b>"Payment Date"</b>	means the first Business Day within 30 days after the close of business on the Business Day following the end of the relevant Calculation Period.
<b>"Redemption Form"</b>	means a form approved by the ICAV or its delegate which must be completed by a Shareholder in order to redeem all or a portion of their Shares;
<b>"Securities Financing Transactions"</b>	means repurchase agreements, reverse repurchase agreements, securities lending agreements within the scope of Regulation 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 as may be amended, supplemented, modified or re-enacted from time to time;
<b>"Settlement Deadline"</b>	means 3 Business Days after the relevant Dealing Deadline or such other time as the Directors may from time to time permit; and
<b>"Valuation Point"</b>	means 10pm (Irish time) on each Dealing Day or such other time as the Directors may on an exceptional basis determine and notify in advance to the Shareholders, provided that there shall always be a Valuation Point for every Dealing Day.

## THE DELEGATE INVESTMENT MANAGER AND DISTRIBUTOR

IBS Fund Management BV has been appointed as the Delegate Investment Manager and distributor of the Fund and is responsible for providing discretionary investment management and advisory services in connection with the assets of the Fund and is responsible for the distribution and promotion of the Fund and its Shares.

The Delegate Investment Manager is regulated by the Netherlands Authority for the Financial Markets ("**AFM**") as a manager of alternative investment institutions (*beheerder van een beleggingsinstelling*) within the meaning of Article 2:65(a) FMSA, issued by the AFM. The Delegate Investment Manager is authorised to provide (a) discretionary investment management services and (b) the ancillary services (i) investment advice and (ii) receipt and transmission of orders in accordance with Article 2:67(a) (2) FMSA. The Delegate Investment Manager is a private limited liability company under Dutch law having its official seat in Amsterdam and its principal offices at De Cuserstraat 87, 1081 CN Amsterdam, the Netherlands. The Delegate Investment Manager is registered in the Trade Register of the Dutch Chamber of Commerce under number 57806497. The Delegate Investment Manager is directly, fully owned by IBS Capital Management B.V.

### *Delegate Investment Management and Distribution Agreement*

The Delegate Investment Management and Distribution Agreement states that the appointment of the Delegate Investment Manager shall continue unless and until terminated by either party giving not less than 90 days' notice. In certain circumstances, as set out in the Delegate Investment Management and Distribution Agreement, either party may terminate the Delegate Investment Management and Distribution Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Delegate Investment Management and Distribution Agreement contains certain indemnities in favour of the Delegate Investment Manager, which are restricted to exclude matters to the extent that they are attributable to negligence, wilful misconduct, bad faith or fraud of the Delegate Investment Manager.

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The objective of the Fund is to seek long-term capital growth by investing in high-quality companies that the Delegate Investment Manager believes are fundamentally undervalued.

### Investment Policies

The Fund will seek to achieve its investment objective by investing primarily in a diversified, yet concentrated portfolio of equity securities in smaller companies listed globally ("**Small-Caps**"). Small-Caps are classified by the Delegate Investment Manager as companies that have a market capitalisation of between EUR 250 million and EUR 5 billion at the time of initial purchase. If the market capitalisation of a company in which the Fund has invested falls below EUR 250 million or exceeds EUR 5 billion after investment, the Fund may continue to hold or increase a position in that company. During the first 6 months post-launch of the Fund, the Fund may invest in companies which exceed the EUR 5 billion capitalisation threshold and invest in companies with capitalisation of up to EUR 50 billion, for the purposes of building up the Fund's portfolio. After the expiration of the 6-month period, the Fund may retain the positions in the above-threshold companies, however, such will not present a significant part of the Fund's Net Asset Value. The Fund aims to be fully invested at all times in a global portfolio of equity securities of small-caps in developed markets. The Fund will target a portfolio size of between 25 to 35 equity securities.

The Fund will not hold more than 20% of Net Asset Value at the time of purchase of equity securities listed in emerging or less developed markets as defined by MSCI.

The Fund may also invest in preferred securities listed or traded on a Recognised Market.

The Fund may also invest for liquidity purposes and cash management in cash and Money Market Instruments. The Fund is long-only and will not have any short exposures.

The Fund measures its performance against a benchmark, namely MSCI Daily Total Return Net Small-Cap World Index (Bloomberg ticker: NCUDWI) in EUR (the "**Index**"). The Index is a broad representation of small companies listed on stock markets in global developed economies and contains over 4000 constituents. The Fund is actively managed and the Index is used for performance measurement only. The Index is not used for asset allocation and the Fund's investment policy is in no way constrained by the extent to which the weightings in the portfolio differ to the Index and the degree of deviation from the Index may be significant. As the Fund was approved on 18 February 2022, please note there is not a complete calendar year of performance of the Fund and, as such, no comparison between the Fund's and Index's performance is currently available. Once performance for a full financial year is available a comparison of the Fund's performance as against that of the Index will be available on [www.silvercross-im.com.nl](http://www.silvercross-im.com.nl).

The Fund does not invest in financial derivative instruments ("**FDIs**") and will not do so until a risk management process has been submitted and cleared by the Central Bank.

### Investment Strategy

The Fund seeks to invest in companies with sustainable competitive advantages operating in defensible and growing markets, allowing them to generate high returns on capital. The Fund intends to invest only when these businesses are available at a significant discount to their estimated intrinsic value. Key selection criteria include cash flows, a strong balance sheet and aligned management teams who are building their business for the long term.

The Delegate Investment Manager employs executives with significant research and investment experience in the selection of small-cap stocks.

The Fund's investment process focuses on identifying what the Delegate Investment Manager considers to be high quality, undervalued businesses that offer the potential for asymmetric risk/reward outcomes.

Undervaluation can occur for several reasons, including, but not limited to, poor current or prospective business performance, change in management, poor investor sentiment around the sector or the economy, reorganisations, or neglect as a result of information scarcity.

The Delegate Investment Manager's in-depth investment approach focuses on the following key investment characteristics:

- (a) *Business quality.* The Fund seeks to invest in companies that have achieved above average returns on invested capital and strong competitive positions in their industries, resulting in strong free cash flows. Characteristics such as scalability of the business, recurring revenue, high barriers to entry and long product life cycles are found frequently among companies with superior business models.
- (b) *Competitive advantage.* The Delegate Investment Manager will select companies with a strong sustainable competitive advantage and long-term growth potential.
- (c) *Financial strength.* Investing in companies with strong balance sheets reduces the risk of permanent capital loss and allows companies financial flexibility to pursue strategic opportunities whenever they present themselves.
- (d) *Aligned.* Management team interests should be in line with those of ordinary shareholders and *they* should be rewarded based on their success in building their company for the long term. The Delegate Investment Manager will also look to invest in companies where the management team focuses on the long-term interest of all stakeholders (this is analysed by looking at how management of those companies is remunerated, what key performance indicators are pursued by those companies and how these key performance indicators compare to the rest of the industry).
- (e) *Market Position.* The Delegate Investment Manager will select companies which have *strong management and market position.*
- (f) *Pro-active.* The Delegate Investment Manager may from time to time actively engage in constructive discussions with management teams to execute strategic decisions that increase return on invested capital, resulting in a higher intrinsic value.
- (g) *Understandable.* The Delegate Investment Manager only invests in companies that it believes have business models that are simple and straightforward. The Fund will not invest in companies with unproven business models or short product life cycles.
- (h) *ESG.* The Fund promotes environmental and social characteristics in accordance with Article 8 of the Disclosures Regulation, as noted below under "Sustainability Considerations". As such, the Delegate Investment Manager will analyse, as part of the selection process, environmental, social and governance issues. The Delegate Investment Manager will look for strong awareness of ESG factors by the management of a company in order to ascertain that such management demonstrates a desire to mitigate company risks, related to ESG. The Delegate Investment Manager believes that ESG factors may influence a company's intrinsic value.
- (i) *Undervaluation.* The Delegate Investment Manager believes that buying equity securities trading at an attractive valuation offers a margin of safety in case the business' fundamentals unexpectedly deteriorate. Determining the intrinsic value of a business is an essential part of the Delegate Investment Manager's investment approach. The Delegate Investment Manager estimates intrinsic value by using a variety of valuation tools which are derived from a company's return on invested capital, the cash flows the business is expected to generate and balance sheet optimisation. A key factor in determining a company's intrinsic value is its long-term growth potential, which is driven by its sustainable competitive advantage.

Companies that meet the Delegate Investment Manager's selection criteria are added to the portfolio, with weight determined amongst others by the upside potential versus downside risk. Weightings of each holding are monitored and adjusted based on a variety of considerations including but not limited to the continued validity of the investment case, their current valuation against estimated intrinsic value, country and sector diversification, liquidity and risk management.

The investment process is driven by the selection of individual companies, not by sectors, countries or regions.

The Fund will ordinarily remain fully invested although the Delegate Investment Manager is permitted to increase the percentage of the portfolio held in cash for ancillary purposes where this is required for the efficient operation of the Fund or is considered to be in the best interests of the Fund. Situations may occur where a scarcity of attractive investment opportunities arises, while at other times market uncertainty may be such that elevated levels of cash are deemed appropriate.

### *Sustainability Considerations*

The Fund promotes environmental and social characteristics in accordance with Article 8 of the Disclosures Regulation, such as (i) avoidance of investments posing risks to sustainability or connected to controversial activities, (ii) promotion of human rights, (iii) promotion of good labour practices, (iv) promotion of anti-corruption, (v) selection of companies which promote environmental, social and good corporate governance, and (vi) integration of sustainability risks in the investment management process (please see Appendix 3 for further details in respect of the Art 8 considerations). The above is achieved by:

- (a) filtering out equity securities which demonstrate significant sustainability violations or engage in controversial activities.
- (b) following the principles of the UN Global Compact, which relate to human rights, labour, the environment and anti-corruption.
- (c) Conducting environmental, social and good corporate governance, ("**ESG**") due diligence on Investments, as part of the selection process. There is strong awareness of ESG factors by the Delegate Investment Manager which aims to mitigate company risks, related to ESG. The Delegate Investment Manager believes that ESG factors may influence a Fund's intrinsic value and has an approach of:
  - (i) Screening in the introductory phase of the research process to minimise the occurrence and severity of sustainability risks with the Fund. Companies that attain 10% or more of their revenue from 'controversial activities', such as indiscriminate weapons and tobacco, as well as those that have violated any of the themes outlined by the UN Global Compact are excluded from the Fund;
  - (ii) having an exclusionary investment policy that is supported by data from a third party ESG research provider such as MSCI ESG Research;
  - (iii) paying special attention to governance considerations and whether they enhance or detract from ESG considerations;
  - (iv) actively engaging with its portfolio companies' management teams to influence positive social change, including reducing sustainability risks;
  - (v) conducting calls with the management and boards of its portfolio companies in relation to governance considerations such as management compensation and capital allocation; and
  - (vi) (in the context of Article 6 of the Disclosure Regulation) integrating sustainability risks in the investment decision-making and risk monitoring processes of the Fund to the extent that (i) such risks represent potential or



actual material risks; and/or (ii) such risks affect opportunities in respect of maximising the Fund's long-term risk-adjusted returns. The Delegate Investment Manager evaluates and integrates sustainability risks and other relevant ESG factors at multiple stages throughout the investment process. This is considered an important element in contributing towards long-term investment returns and an effective risk-mitigation technique. The Delegate Investment Manager believes that sustainability risks can impact the relationship the Fund's portfolio companies have with their stakeholders. These risks may have a negative impact on the demand for the companies' products, ability to source key supplies, and ability to hire key personnel. The Delegate Investment Manager believes this could impact the perceived quality of the Fund's portfolio companies and could cause the financial positions of these investments to deteriorate, which could in turn impact the returns of the Fund itself. These impacts will vary greatly and are assessed on a case-by-case basis. The Delegate Investment Manager believes that any impact on returns will depend on, inter alia, the type, size, duration, complexity, and severity of the sustainability risk, as well as the prevailing market conditions and any mitigating factors.

For the purposes of Article 7 of the Disclosures Regulation, the Delegate Investment Manager does not currently consider the adverse impacts of investment decisions being made in respect of the Fund on sustainability factors due to the size and scale of its activities at this time.

In accordance with the specific regime under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") as amended by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, it is required to confirm whether the Fund has sustainable investments as its objective within the meaning of SFDR. The "do no significant harm" principle applies only to those investments underlying the Fund which take into account the EU criteria for environmentally sustainable economic activities. Due to the current lack of data for the assessment of the Taxonomy Regulation alignment of its investments, this financial product cannot at this stage accurately calculate to what extent these underlying investments qualify as environmentally sustainable as per the strict understanding of Article 3 of the Taxonomy Regulation. The investments underlying the remaining portion of this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Changes to the Investment Strategy*

The Delegate Investment Manager may also develop additional strategy as the performance of the strategy themselves is periodically evaluated. Any amendment to the investment strategy shall be in accordance with the Central Bank's requirements and full details will be provided in an updated Supplement. If the Fund intends to make any material changes to the investment policy or strategy of the Fund, such changes will be subject to (i) an advance Shareholders' approval, on the basis of a simple majority of votes cast in general meeting or (ii) the prior written approval of all Shareholders of the Fund (in accordance with the Instrument of Incorporation) or such other majority as is specified in the Instrument of Incorporation. A change to the investment policy or strategy of the Fund would be considered "material" if, were it to be made, it would alter significantly the asset type, credit quality, borrowing limits or risk profile of the Fund.

#### *Securities Financing Transactions*

The Fund does not currently use Securities Financing Transactions for efficient portfolio management purposes. It may do so in the future subject to the Central Bank's requirements and full details will be provided in an updated Supplement.

### **Currency Hedging Policy**

#### *Investment Level hedging*

The Fund will not hedge against currency fluctuations in non-EUR denominated portfolio investments.

#### *Class Level Hedging*

The Fund will not hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency back to the Base Currency.

#### **Leverage**

The Fund will not use leverage.

#### **Profile of a Typical Investor**

The Fund is a suitable investment for investors (including professional investors and high net-worth individuals) who are seeking to invest in a fund that is seeking long-term (i.e., 5-7 years) capital appreciation and who are willing to accept losses on their investment or fluctuations with a certain volatility in the Net Asset Value per Share of the Fund during the short term. Investors should have the experience and knowledge to assess, understand and accept the characteristics and risks of the Fund, and be in a position to make an initial investment of at least €100,000, or the equivalent in the currency of the relevant Class as disclosed in Appendix 1.

### **BORROWING**

The Directors are empowered to borrow monies of up to 10% of Net Asset Value of the Fund for temporary purposes, including to facilitate redemption payments. The Fund may acquire foreign currency by means of a back-to-back loan.

### **INVESTMENT RESTRICTIONS**

The general investment restrictions are set out under Appendix I to the Prospectus, "Investment and Borrowing Restrictions".

In addition to the above, the following additional investment restrictions will apply:

- (d) The Fund will not invest more than 7.5% of Net Asset Value, as determined at the time of investment, in any one equity security and in any event hold an aggregate of no more than 10% of Net Asset Value in shares of any single issuer;
- (e) hold no more than 10% of the equity capital in any single company;
- (f) hold no more than 25% of Net Asset Value in cash of any currency other than Euro;
- (g) The Fund will not hold more than 25% of Net Asset Value in Investments in any single country, with the exception of the United States, for which the maximum is 75% of Net Asset Value; and
- (h) The Fund may not directly or indirectly invest in other open-ended investment funds.

### **INVESTMENT RISKS**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "General Risk Factors" section of the Prospectus. The below primary investment risks are not purported to be exhaustive and potential investors should review the Prospectus carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

#### **Equity Securities Risk**

As the Fund invests in equity securities it runs the risk that the market prices of those Investments will decline. The market prices of equity securities may decline for reasons that directly relate to the issuing company, such as poor management performance or reduced demand for its goods or services. They also may decline due to factors that affect a particular industry, such as a decline in demand, labour or raw material shortages, or increased production costs. In addition, market prices may decline as a result of general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. Equity securities generally have significant price volatility and the market prices of equity securities can decline in a rapid or unpredictable manner. If the Fund purchases equity securities at a discount from their value as determined by the Delegate Investment Manager, the Fund runs the risk that the market prices of these Investments will not appreciate or will decline for a variety of reasons, one of which may be the Delegate Investment Manager's overestimation of the value of those Investments. The market prices of equity securities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equity securities trading at lower multiples.

### **Concentration Risk**

The Fund's investments may be concentrated in a particular country or region, and as noted above may be further concentrated in a select group of issuers. If Investments are concentrated in one country or region, the Fund's performance will be closely tied to economic and political conditions within that country or region. If the Fund concentrates its Investments in a select group of issuers, it can be more volatile than the market as a whole or the Index because changes in the financial condition of an issuer or changes in economic or political conditions that affect a particular type of security or issuer can affect the value of an issuer's securities. For these reasons, given the Fund may be concentrated in a particular country or region and that it may further be concentrated in particular issuers, its performance may be more volatile than the performance of more diversified equity funds.

The Fund's other primary risks are:

- Investments in emerging markets outlined in section " *Securities Markets of Emerging Markets Countries* " and " *Emerging Markets Risk* " of the Prospectus;

For further details of these risk factors and other risks associated with an investment in the Fund are included in the Prospectus.

## **SUBSCRIPTIONS**

### **Subscription of Shares**

The Classes offered by the Fund and their respective characteristics are as set out in the table in Appendix 1 and in the Application Form.

The Directors may at any time determine to temporarily or permanently close any Class or all Classes of the Fund to subscriptions from existing Shareholders and/or new applicants in their sole discretion. The Directors may subsequently re-open some or all of the Classes, which have been temporarily closed to further subscriptions at their discretion in accordance with the Central Bank's requirements. The Directors may not give advance notice of such closure or re-opening to Shareholders.

Shareholders may ascertain the open or closed status of any Class and whether such Classes are open to existing Shareholders and/or new applicants by contacting the Administrator. Closing a Class to new subscriptions will not affect the redemption rights of Shareholders and Shareholders will be permitted to switch from any closed Classes in accordance with the procedure set out in the Prospectus.

Class G is only available for investors investing through the Delegate Investment Manager.

The minimum initial investment, minimum subsequent investment, minimum holding amount and minimum redemption are as set out in the table in Appendix 1. They may be reduced or waived for a

particular Class at the discretion of the Directors or the Delegate Investment Manager provided the Directors have delegated this authority to the Delegate Investment Manager.

The Directors are given authorisation to effect the issue of Shares of any Class and to create new Classes on such terms as they may from time to time determine in accordance with the Central Bank's requirements.

In order to receive Shares on a particular Dealing Day and to facilitate prompt investment, the Application Form must be initially sent via fax or email, as provided for in the Application Form, in a format that is approved by the Administrator, by the Dealing Deadline and provided that the Application Form permits a Shareholder to avail of this facility and the original Application Form and supporting anti-money laundering documentation is promptly received by mail after the initial subscription is processed by the Administrator. Cleared subscription monies must be received by the Administrator within the Settlement Deadline.

Applications received late, or funds which are not cleared by this time will be held over until the following Dealing Day. The Administrator's contact details and further details in relation to the procedure for subscription requests are set out in the Application Form.

Each applicant for Shares acknowledges that subscription payments received by the Administrator into the investor collection account operated by the Administrator will not receive interest prior to the transfer of subscription monies to the Fund.

Any person who is holding Shares in contravention of any provisions relating to dealing in Shares and who fails to pay their subscription money within the Settlement Deadline and/or who fails to transfer, or deliver for redemption, his/her Shares, if so directed by the Directors pursuant to any relevant provisions (including under section "Compulsory Redemptions" of the Prospectus), is obliged to indemnify and hold harmless each of the Directors, the Fund, the Manager, the Administrator, the Depositary, the Delegate Investment Manager and the Shareholders (each an "**Indemnified Party**") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions

### **Accumulating and Distributing Classes**

In the Class name as set out in Appendix 1 and the Application Form, "Accumulating" indicates an accumulating Class and "Distributing" indicates a distributing Class (if such are issued).

### **Listing**

Shares are not currently listed on the Irish Stock Exchange.

### **Initial Offer Period**

The Initial Offer Period (the "**IOP**") for all Classes commenced at 9.00am (Irish time) on 21 February 2022 and will end (for all unlaunched Classes) at 5:00pm (Irish time) on 21 August 2022 or such other dates as any one Director may determine in accordance with the requirements of the Central Bank. The IOP for Class B closed on 9 March 2022.

### **Initial Offer Price**

During the Initial Offer Period the Classes will be available for subscription at EUR100 for Classes denominated in EUR, GBP100 for Classes denominated in GBP and USD100 for Classes denominated in USD (the "**Initial Offer Price**").

### **Subsequent Dealing**

Following the close of the Initial Offer Period, the Classes shall be issued at the Net Asset Value per Share calculated at the Valuation Point and adding thereto such sum as the Directors in their absolute

discretion may from time to time determine as an appropriate provision for Duties and Charges as provided for in "Subscriptions, transfers and redemptions" in the Prospectus.

Except as described below, payment for Shares of the Fund must be received by the Administrator by the relevant Settlement Deadline in cleared funds in the relevant Base Currency or the relevant currency denomination of the Class.

Payment may also be made in any currency in which there is an active Class. In such circumstances, the necessary currency exchange transactions will be arranged by the Administrator on behalf of, and at the expense and risk of, the applicant.

No credit interest will accrue on subscription monies received prior to the Settlement Deadline.

Subscriptions for the Classes should be made by electronic transfer to the account as specified in the Application Form.

## **REDEMPTIONS**

### **Redemption of Shares**

Shareholders may request the Fund to redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share less any applicable Duties and Charges (as provided for in "Subscriptions, transfers and redemptions" in the Prospectus), calculated at the Valuation Point on the relevant Dealing Day subject to such adjustments, if any, as may be specified including, without limitation, any adjustment required for exchange fees as described under "Switching between Classes" below, provided that no redemption charge will apply to a redemption of Shares unless it is part of a switch between Classes as detailed below.

Redemption requests should be made on the Redemption Form (available from the Administrator) which must be sent via an online fax facility, as stated on the Redemption Form, in a format that is approved by the Administrator and the Redemption Form permits a Shareholder to avail of this facility, no later than the Dealing Deadline. A Shareholder is not obliged to deal electronically, accordingly the original Redemption Form can be sent by mail no later than the Dealing Deadline where the Shareholder does not consent to deal via the online fax facility.

The Administrator's contact details and further details in relation to the procedure for redemption requests are set out in the Application Form. Subject to the foregoing, and to the receipt of the original Application Form and all anti-money laundering documentation and completion of all anti-money laundering checks, redemption proceeds will be paid by electronic transfer to the Shareholder's account specified in the Application Form normally within the Settlement Deadline and no later than within 10 Business Days of the Dealing Deadline.

The Administrator will not remit redemption proceeds if an investor has not submitted a Redemption Form by the means as outlined in the above paragraphs or is not considered to be compliant with all the necessary anti-money laundering legislation and regulations. Nor will the Administrator remit any payment to a third party bank account. Redemption proceeds will only be paid to the bank account of record. If these bank account details have changed please contact the Administrator.

### **Redemption Gate**

If redemption applications on any given day exceed at least 10% of the Net Asset Value of the Fund, the Directors may at their discretion limit the number of Shares of the Fund redeemed on any Dealing Day to Shares representing 10% of the total Net Asset Value of that Fund on that Dealing Day. In this event, the Directors shall reduce pro rata any request for redemption on that Dealing Day and shall treat the redemption requests as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

## SWITCHING BETWEEN CLASSES

A Share exchange may be effected by way of a redemption of Shares of one Class and a simultaneous subscription at the most recent Net Asset Value per Share for Shares of another Class. The provisions under "Conversion of Shares" in the Prospectus and the general provisions and procedures relating to redemptions and subscriptions for Shares as set out above and the Prospectus will apply.

Redemption proceeds will be converted into the currency of the receiving Class at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the amount applied in subscribing for Shares in the receiving Class. A switching fee will not apply.

## DIVIDEND POLICY

The Directors do not anticipate distributing dividends from net investment income in respect of any Classes and accordingly, income and capital gains arising in respect of such Shares will be re-invested in the Fund and reflected in the Net Asset Value per Share of such Shares.

Dividends may be declared at the discretion of the Directors, in consultation with the Delegate Investment Manager, in certain circumstances which will be notified to Shareholders of the relevant Class.

If the dividend policy of a Class should change, full details will be provided in an updated Supplement and Shareholders will be notified in advance of the change in policy.

## Valuation

Investors' attention is drawn to the section entitled "Valuation" in the Prospectus for detail on how Investments are valued.

## FEES AND EXPENSES

### Fixed Fee

An annual aggregate fee shall be payable by the Fund which shall not exceed 0.25% of the Net Asset Value per annum of the Fund (plus VAT, if any) (as set out in Appendix 1) (the "**NAV-based Fee**"), subject to a minimum annual fee of up to €160,000 (plus VAT, if any) (the "**Minimum Fee**"), accruable daily and payable monthly in arrears which will include the Management Fee, the Administration Fee, the Depositary Fee and the Ancillary Fees and Expenses (each as defined below) (the "**Fixed Fee**"). The Fixed Fee is payable to the Manager. For the avoidance of doubt, if the Net Asset Value of the Fund reaches on an annual basis a certain threshold (ie above €64,000,000), the NAV-based Fee will apply (ie 0.25%). If the Net Asset Value of the Fund remains below the above threshold, the minimum fee of €160,000 will apply.

The Manager will pay the Administration Fee, the Depositary Fee and any Ancillary Fees and Expenses out of the Fixed Fee amount received, with any excess retained by the Manager constituting its management fee (the "**Management Fee**"). The Management Fee shall accrue daily and be payable monthly in arrears. The Manager will also be reimbursed out of the assets of the Fund for reasonable vouched out of pocket expenses and disbursements, and for any VAT payable on any such disbursement, incurred by the Manager in respect of the Fund.

Where the aggregate of the Management Fee, the Administration Fee, the Depositary Fee and the Ancillary Fees and Expenses exceed the Fixed Fee, the excess amount shall be paid by the Manager and not by the Fund. For the avoidance of doubt, all other fees and expenses (including the Investment Management Fee, the Performance Fee and trading costs related to the Fund) are not included within the Fixed Fee and shall be paid out of the assets of the Fund.

### Administration Fee

Pursuant to the Administration Agreement, the Administrator shall be entitled to receive payment of its fees, including administration fees, transfer agency and Net Asset Value calculation, financial reporting, CRS and FATCA account review and reporting fees out of the Fixed Fee (the "**Administration Fee**"). This excludes all reasonable vouched out-of-pocket costs and expenses incurred by the Administrator and any transaction fees not paid by the Manager on behalf of (or attributable to) the Fund which will be payable out of the assets of the Fund. The fees and expenses of the Administrator will accrue at each Valuation Point and are payable monthly in arrears.

### **Depository Fee**

The Depository shall be entitled to receive payment of its fees pursuant to the Depository Agreement (the "**Depository Fee**") out of the Fixed Fee. This excludes sub-custodial fees (which shall be payable at normal commercial rates) and all reasonable vouched out-of-pocket expenses incurred by the Depository and any transaction fees not paid by the Manager which will be payable out of the assets of the Fund. The fees and expenses of the Depository shall be calculated and accrued at each Valuation Point and shall be payable monthly in arrears.

### **Ancillary Fees and Expenses**

The Manager shall pay or otherwise procure the payment of, out of the Fixed Fee, the Fund's attributable portion of the fees payable to any Director, audit fees, money laundering reporting officer's fees, company secretarial and registered office fees, fees associated with the submission, on behalf of the Fund, of any requisite filings to the Central Bank via its online reporting system, Directors' payroll services and Directors and officers insurance cover attributable to the Fund (inclusive of non-recoverable VAT) (the "**Ancillary Fees and Expenses**").

### **Investment Management Fee**

The Delegate Investment Manager will be entitled to an investment management fee payable from the assets of the Fund as disclosed in Appendix 1, accruing at each Valuation Point and calculated by the Administrator in relation to the relevant Classes.

### **Performance Fee**

The Fund shall pay to the Delegate Investment Manager a performance fee (the "**Performance Fee**") in respect of categories Class D and Class E, which are detailed in Appendix 1.

The Performance Fee for each Class will be paid out of the net assets attributable to each relevant Class. The Performance Fee will be accrued and taken into account in the calculation of the Net Asset Value per Share of the relevant Class at each Valuation Point. The Performance Fee shall be paid in arrears on the Payment Date. The Performance Fee shall be calculated by the Administrator and the Depository shall verify the calculation of the Performance Fee and such calculation shall not be open to the possibility of manipulation.

If at the end of the relevant Calculation Period, the Net Asset Value per Share attributable to a Class exceeds the Hurdle Rate Adjusted Net Asset Value of such Class, a Performance Fee of 10% in respect of categories Class D and Class E shall be chargeable on the amount by which such Net Asset Value per Share of such Classes exceeds the Hurdle Rate Adjusted Net Asset Value. No Performance Fee for any Class shall be accrued or paid until the Net Asset Value per Share in that Class exceeds the Hurdle Rate Adjusted Net Asset Value.

The use of the Hurdle Rate Adjusted Net Asset Value ensures that investors will not be charged a Performance Fee until any previous shortfalls relative to the Hurdle Adjusted Net Asset Value are recovered.

Any underperformance against the Hurdle Rate Adjusted Net Asset Value in preceding Calculation Periods will be clawed back before any Performance Fee becomes payable in a subsequent Calculation Period. For the avoidance of doubt, any Performance Fee which has crystallised and is payable in relation to a given Calculation Period will not be clawed back.

In the event that a Shareholder redeems Shares prior to the end of a Calculation Period, an amount equal to any accrued Performance Fee in respect of such Shares will crystallise and such Performance Fee will be paid to the Delegate Investment Manager promptly thereafter. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fee, provided that such calculation will be in the Shareholder's best interest and it would result in the Shareholder paying less fees.

Where Performance Fees are payable in respect of a Class, these will be based on net realised and net unrealised capital gains and losses as at each Payment Date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

In the event that the ICAV is liquidated, the Fund is terminated, or the Delegate Investment Management Agreement is terminated prior to the end of a Calculation Period, the Performance Fee will be computed as though the effective date of the liquidation of the ICAV or termination of the Fund or termination of the Delegate Investment Management Agreement, as relevant, was the end of a Calculation Period.

All fees payable to the Delegate Investment Manager will be paid in the designated currency of the relevant Class. The Fund shall bear the cost of any Irish VAT applicable to any amount payable to the Delegate Investment Manager.

### **Subscription or redemption charges**

The Fund will impose a subscription charge of 0.3% of the amount subscribed into the relevant Class, and 3% of the amount subscribed into Class A2 GBP when the Assets Under Management (the "AUM") of that Class exceeds £100 million ("**Subscription Charge**").

The Fund will impose:

- a) a redemption charge of 0.3% of the Net Asset Value of redeemed Shares by a Shareholder in the relevant Class ("**Redemption Charge**").
- b) a redemption charge of 3% of the Net Asset Value of the redeemed Shares by a Shareholder in the relevant Class ("**Early Redemption Charge**"), if such Shareholder redeems within 3 months of subscribing into the Fund in the relevant Class, as outlined in Appendix 1.

For the avoidance of doubt, the Fund will not impose a Redemption Charge where an Early Redemption Charge is applied.

The Subscription Charge and the Redemption Charge will not apply for the duration of 3 months from the approval of the Fund.

The above charges can be waived by the Directors or the Manager, in consultation with the Delegate Investment Manager.

### **Establishment Costs of the Fund**

The establishment costs of the Fund will be borne by the Delegate Investment Manager.

### **Other fees and expenses**

The ICAV will also reimburse the Delegate Investment Manager for its reasonable out-of-pocket expenses incurred by the Delegate Investment Manager. Such out-of-pocket expenses may include the preparation of marketing material and portfolio reports provided that they are charged at normal commercial rates and incurred by the Delegate Investment Manager in the performance of its duties under the Delegate Investment Management Agreement.

The Delegate Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to some or all of the Shareholders or to the Fund out of the Investment Management Fee that it receives.



All fees payable to the Delegate Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Delegate Investment Manager.

The Fund may also pay other fees in respect of changes of relevant service providers (as appropriately allocated to the Fund), de-authorisation and liquidation of the Fund and others as may be agreed between the ICAV and the Manager from time to time.

The other fees and expenses of the ICAV and the Fund including Directors' Fees are set out in the Prospectus under the heading "Fees and Expenses".

**APPENDIX 1 – SHARE CLASS TABLE**

Class	Type	Currency	Accumulating/ Distributing	Minimum Initial Investment	Minimum Subsequent Investment	Minimum redemption	Minimum Holding Amount	Availability	Investment Management Fee	Performance Fee	Subscription Charge	Early Redemption Charge	Redemption Charge	Fixed Fee
Class A EUR	Institutional	EUR	Accumulating	25,000,000	250,000	250,000	10,000,000	Open	1.00%	N/A	0.3%	3%	0.3%	0.25%
Class A GBP	Institutional	GBP	Accumulating	25,000,000	250,000	250,000	10,000,000	Open	1.00%	N/A	0.3%	3%	0.3%	0.25%
Class A 2 GBP	Institutional	GBP	Accumulating	50,000,000	250,000	250,000	10,000,000	Open	a) 1.15% (on AUM of up to £25m); b) 1% (where AUM is between £25m – £50m); c) 0.80% (where AUM is greater than £50m)	N/A	0.3% and 3% for AUM greater than £100m	3%	0.3%	0.25%
Class A USD	Institutional	USD	Accumulating	25,000,000	250,000	250,000	10,000,000	Open	1.00%	N/A	0.3%	3%	0.3%	0.25%
Class B EUR	Retail	EUR	Accumulating	100,000	25,000	10,000	100,000	Open	1.15%	N/A	0.3%	3%	0.3%	0.25%
Class B GBP	Retail	GBP	Accumulating	100,000	25,000	10,000	100,000	Open	1.15%	N/A	0.3%	3%	0.3%	0.25%

Class B USD	Retail	USD	Accumulating	125,000	25,000	10,000	100,000	Open	1.15%	N/A	0.3%	3%	0.3%	0.25%
Class C EUR	Intermediary	EUR	Accumulating	100,000	1,000	1,000	1,000	Open	1.65%	N/A	0.3%	3%	0.3%	0.25%
Class C GBP	Intermediary	GBP	Accumulating	100,000	1,000	1,000	1,000	Open	1.65%	N/A	0.3%	3%	0.3%	0.25%
Class C USD	Intermediary	USD	Accumulating	125,000	1,000	1,000	1,000	Open	1.65%	N/A	0.3%	3%	0.3%	0.25%
Class D EUR	Performance	EUR	Accumulating	25,000,000	250,000	250,000	10,000,000	Open	0.75%	10%	0.3%	3%	0.3%	0.25%
Class D GBP	Performance	GBP	Accumulating	25,000,000	250,000	250,000	10,000,000	Open	0.75%	10%	0.3%	3%	0.3%	0.25%
Class D USD	Performance	USD	Accumulating	25,000,000	250,000	250,000	10,000,000	Open	0.75%	10%	0.3%	3%	0.3%	0.25%
Class E EUR	Performance	EUR	Accumulating	100,000	25,000	10,000	100,000	Open	1.00%	10%	0.3%	3%	0.3%	0.25%
Class E GBP	Performance	GBP	Accumulating	100,000	25,000	10,000	100,000	Open	1.00%	10%	0.3%	3%	0.3%	0.25%
Class E USD	Performance	USD	Accumulating	125,000	25,000	10,000	100,000	Open	1.00%	10%	0.3%	3%	0.3%	0.25%
Class G EUR	Founders	EUR	Accumulating	100,000	N/A	N/A	100,000	Open	0.00%	N/A	0.3%	0%	0.3%	0.25%
Class G GBP	Founders	GBP	Accumulating	100,000	N/A	N/A	100,000	Open	0.00%	N/A	0.3%	0%	0.3%	0.25%

Class G USD	Founders	USD	Accumulating	125,000	N/A	N/A	100,000	Open	0.00%	N/A	0.3%	0%	0.3%	0.25%
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**APPENDIX 2 – PERFORMANCE FEE EXAMPLE**

**Start of the calculation period**

Fund NAV €10,000,000.00  
 Hurdle Rate  
 Adjusted NAV €10,000,000.00

**End of the calculation period**

<b>Outperformance</b>	
Fund NAV	€10,150,000.00
Hurdle Rate Adjusted NAV	€10,100,000.00
Fund vs Index Performance	€50,000,00
Performance Fee	10,00%
Fee payable	€5,000.00

<b>Underperformance</b>	
Fund NAV	€9,900,000.00
Hurdle Rate Adjusted NAV	€9,920,000.00
Fund vs Index Performance	€-20,000,00
Performance Fee	10,00%
Fee payable	€ -

**APPENDIX 3**  
**PROMOTION OF ENVIRONMENTAL AND SOCIAL CHARACTERISTICS IN ACCORDANCE WITH**  
**ARTICLE 8 OF SFDR**

**Introduction**

This Appendix sets out the relevant SFDR disclosures in respect of the Fund. It summarises how sustainability risks are integrated in the Delegate Investment Manager's decision-making process and how the ESG characteristics that the Fund promotes are complied with. For the presentation of the relevant information, the Delegate Investment Manager has relied upon the Final Report on Regulatory Technical Standards under the SFDR by the European supervisors<sup>1</sup> (the "RTS") specifically articles 13 to 19.

These are not formally applicable nor approved by the European Commission yet, and, as such, may be further amended, in which case this Appendix will also be amended to ensure compliance with the RTS.

**Promoting ESG Characteristics**

**Product name/legal identifier**

This product:   Promotes environmental or social characteristics, but does not have as its objective a sustainable investment

It does not invest in sustainable investments

It invests partial in sustainable investments

Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective and that the investee companies follow good governance practices.

Has a reference benchmark been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product?

Yes

No

**1. What environmental and/or social characteristics are promoted by the Fund?**

The Delegate Investment Manager seeks to invest in companies that are part of the solution, or at the very least do not materially contribute negatively, to environmental and social challenges. To achieve this overall goal, the Delegate Investment Manager promotes specific environmental or social characteristics as noted under "Sustainability Considerations" above. The Delegate Investment Manager aims to invest in companies that act as responsible corporate citizens. The Delegate Investment Manager only includes investments that comply with minimum social and environmental safeguards, including those concerning labour rights, human rights, anti-corruption and environmental

<sup>1</sup>Final Report on draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a(3), Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088, dated February 21, 2021 (JC 2021 03).

protection. Investee companies that are involved in significant controversies or materially detract from society achieving its sustainable development goals are not considered suitable investments for the Fund and will not be included in the portfolio of the Fund.

Below is a selection of the sustainability indicators assessed as part of the Delegate Investment Manager's investment and due diligence process. The indicators are split between three themes, environmental, social and governance ("ESG"):

- Environment
  - Greenhouse gas (GHG) intensity; and
  - Waste production;
- Social
  - Violations of UN Global Compact; and
  - Exposure to indiscriminate weapons;
- Governance
  - Board gender diversity; and
  - CEO pay ratio.

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

Please refer to "Investment Strategy" in the Supplement.

### **2.1. 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 Delegate Investment Manager conducts both negative and norms-based screening to select investments that are aligned with the environmental and social characteristics of the Fund. Investee companies that generate 10% or more of their revenue from controversial activities are excluded from the Fund's investable universe. The Delegate Investment Manager excludes companies that violate internationally agreed social norms. In this regard, the Delegate Investment Manager utilises the principles set out by the United Nations Global Compact as a guiding framework.

### **2.2. How is that strategy implemented in the investment process on a continuous basis?**

As part of the investment selection process ESG issues are analysed to minimise associated risks. The Delegate Investment Manager has developed a proprietary ESG research process which is fully integrated into the Delegate Investment Manager's investment analysis. Investee companies are only considered for further analysis if they meet the screening requirements mentioned above. Companies that meet the screening criteria are then assessed against weighted ESG indicators, including sustainability risks. Each of these indicators is given a score based on an investee company's performance relative to its industry peers. Companies that meet the Delegate Investment Manager's selection criteria are assessed against ESG factors at least annually. The full ESG process is reviewed annually. The Delegate Investment Manager actively engages with the management teams of the investee companies and exercises its proxy voting rights.

### **2.3. What is the policy to assess good governance practices of the investee**

## **companies?**

The Delegate Investment Manager assesses 'good governance practices' of investee companies as part of the ESG analysis. Investee companies are assessed against a variety of factors including board composition; board, executive and employee remuneration relative to peers; IT governance; voting right structure and governance policies.

### **2.4. Where can further details on the investment strategy be found?**

More information on the investment strategy can be found on the website under the heading "Investment Approach": <https://silvercross-im.com/en/investment-approach#investment-approach>. The ESG policy can be found on the website under the heading "About us", "Documents": <https://silvercross-im.com/en/about-us#documents>.

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

Please refer to "Investment Policies" in the Supplement.

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

Close to 100% of Fund investments can be categorised as "#1 Aligned with E/S characteristics". Investments that might fall under "#2 Other" include cash positions. These are required for portfolio management purposes as well as to maintain an adequate level of liquidity. While the selection of the market participants safeguarding these assets are made without consideration to ESG criteria, they should demonstrate ability and intention to operate in a socially responsible manner. Although the basic precondition used in the selection of the Fund's assets is the alignment to the E/S characteristics, there may be occasions when this is not the case, such as when a current investment is acquired by another entity.

### **4. Does this financial product take into account principal adverse impacts on sustainability factors?**

Currently not on a Fund level, however, principal adverse impacts are considered at the level of the Delegate Investment Manager. For the principal adverse impact statement on Delegate Investment Manager-level we refer to: <https://silvercross-im.com/en/about-us#documents>.

### **5. Can more product-specific information be found online?**

More Fund-specific information can be found on the website: <https://silvercross-im.com/en>

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

No.