

## **Appendix 1**

**OFFERING DOCUMENT SUPPLEMENT # 1**

**MV Dual Credit Fund SICAV-RAIF SCA**

**MV Dual Credit SM Fund I**

**(Sub-Fund 1)**

*An open-ended Sub-Fund of MV Dual Credit Fund SICAV-RAIF SCA*

*Société d'investissement à capital variable (SICAV) –  
Fonds d'investissement alternatif réservé (FIAR)*

A reserved alternative investment fund in the form of a  
partnership limited by shares (SCA) with variable capital (SICAV)

subject to the Luxembourg law of 23 July 2016 on  
reserved alternative investment funds, as amended

June, 2023

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## 1. INTRODUCTION

This Sub-Fund 1 Supplement contains information about **MV Dual Credit SM Fund I** a Sub-Fund of **MV Dual Credit Fund SICAV-RAIF SCA**, launched in October 2020, that a prospective investor should consider before investing in the Sub-Fund and should be retained for future reference.

This Supplement will be furnished to each prospective investor in the Sub-Fund 1 and shall be read in conjunction with the terms of the general part of the Offering Document, the Articles of Association and the applicable Subscription Form. To the extent that any of the terms described herein are inconsistent with the terms of the general part of the Offering Document the terms of the Sub-Fund 1 Supplement shall control.

The Sub-Fund 1 Supplement should be reviewed carefully by prospective investors prior to making an investment in the Sub-Fund 1. Capitalised terms used and not otherwise defined herein shall have the meaning assigned to these terms in the general part of the Offering Document.

The Sub-Fund 1 is an open-ended Sub-Fund of MV Dual Credit Fund SICAV-RAIF SCA, a partnership limited by shares (*société en commandite par actions*) incorporated under the laws of Luxembourg as an investment company with variable share capital – reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement alternatif réservé*) which qualifies as an alternative investment fund (AIF) within the meaning of the AIFMD.

The Sub-Fund 1 may issue Shares of different Share Classes. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors.

## 2. DEFINITIONS

AFS	The Dutch Act on the Financial Supervision ( <i>Wet op het financieel toezicht</i> ), as may be amended from time to time.
Business Day	any day on which banks are open the whole day for non-automated business in Luxembourg, the United Kingdom, Ireland and the city of New-York and Boston.
BGfo	Dutch Decree on Conduct of Business Supervision of financial undertakings AFS ( <i>Besluit Gedragstoezicht financiële ondernemingen Wft</i> ), as may be amended from time to time.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Sub-Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement as described in clause 6.4.
Eligible Investor	an investor who (i) outside of the EEA, is a Well-Informed Investor or (ii) within the EEA, is a Well-Informed Investor qualifying either as (a) a Professional Investor or (b) an Eligible Non-Professional Investor, in each case as set forth for each Share Class under Appendix 1. No additional requirement will be stipulated in this Sub-Fund 1 Supplement.

Eligible Non-Professional Investor	a non-professional investor allowed to subscribe for Shares of the Sub-Fund 1 pursuant to Article 2:70 (2) of the AFS.
ESG	has the meaning given to it in section 3.2 of this Supplement.
ESG Committee	has the meaning given to it in section 9.3 of this Supplement.
EU SFDR	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, as may be amended from time to time.
EU Taxonomy Regulation	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, as may be amended from time to time.
Initial Closing	the date when an investor is first admitted into the Sub-Fund 1 as a limited Shareholder.
Investment Board	the board of the Portfolio Manager responsible for making final investment decision for the Sub-Fund 1, comprising certain managing partners and partners of MV Credit, as appointed from time to time.
Manager Board	the board of directors of the Portfolio Manager.
Net Asset Value	as the context indicates, the net asset value of the Sub-Fund, or a Share Class determined in accordance with the provisions of this Sub-Fund 1 Supplement as described in section 7.1.
Net Asset Value per Share	the Net Asset Value of a Share Class in Sub-Fund 1 divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 6.6 (Conversion of Shares) of this Sub-Fund 1 Supplement.
Original Shares	Shares described in section 6.6 (Conversion of Shares) of this Sub-Fund 1 Supplement.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Sub-Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement.
Redemption Fee	a fee which the Sub-Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Redemption Form	the forms and other documents, as issued or accepted by the Sub-Fund from time to time, which the Sub-Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Sub-Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Sub-Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Offering Document.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Sub-Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Offering Document.
Reference Currency of the Sub-Fund 1	the Pound Sterling (GBP).
Regulated Markets	has the meaning given to it in Section 3.2 of this Supplement.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, as described in section 8.1.
Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Offering Document.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement as described in section 6.4.
Sub-Fund 1	this Sub-Fund named <b>MV Dual Credit SM Fund I</b> .

Valuation Day

a Business Day as of which the Net Asset Value per Share is calculated, as described in section 7.1 (Calculation of the Net Asset Value) of this Sub-Fund 1 Supplement.

### 3. INVESTMENT POLICY AND SPECIFIC RESTRICTIONS

#### 3.1 Investment objective

The Sub Fund 1 seeks to provide investors the opportunity to achieve long-term growth by investing in a combination of European private debt and globally diversified corporate credit.

#### 3.2 Investment policy

The Sub-Fund 1 invests across a range of private and publicly traded debt instruments with a global remit, including emerging markets. The publicly traded debt instruments in which the Sub-Fund 1 invests are traded, as of the date hereof, on the regulated markets listed in Appendix 2 (the “**Regulated Markets**”). An updated list of the Regulated Markets will be made available to investor upon request with prior notice and free of charge at the registered office of the AIFM. Exposure to assets may be gained either directly, or indirectly via collective investment schemes, other investment vehicles, or derivatives. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

The Sub-Fund 1 promotes certain environmental and/or social characteristics within the meaning of Article 8 of the EU SFDR and as detailed in section 9.3 of this Sub-Fund 1 Supplement.

Approximately 60% of the investments of the Sub-Fund 1 are expected to be investments into predominantly European private debt, in companies that typically have a market-leading position in stable and less cyclical sectors. This investment approach is built on two core principles: rigorous credit analysis and downside protection. Included within European private debt will be:

- European senior loans;
- European second lien; and
- European non-cash pay subordinated debt.

The remaining portion of the investments of the Sub-Fund 1 is expected to be invested in one or more Loomis Sayles funds. Loomis Sayles will adopt a strategy which seeks exposure to a globally diverse mix of sector and credit-focused asset classes. This is driven by top-down tactical allocations across credit strategies throughout the global credit cycle and will include:

- Global investment grade investments;
- Global high yield investments;
- Eligible securitized investments;
- Bank loans; and
- Emerging markets.

The Loomis Sayles funds promote certain environmental and/or social characteristics within the meaning of Article 8 of the EU SFDR and as detailed in section 9.3 of this Sub-Fund 1 Supplement. For the avoidance of doubt, the LS Characteristics (as such term is defined in section 9.3 of this Sub-Fund 1 Supplement) promoted by the Loomis Sayles funds are distinct from the Characteristics (as such term is defined in section 9.3 of this Sub-Fund 1 Supplement) promoted by Sub-Fund 1.

Environmental, social and governance (“**ESG**”) considerations are inherently part of the investment process for MV Credit and Loomis Sayles. Loomis Sayles and MV Credit are both Principles for Responsible Investment (“**PRI**”) signatories. The PRI provides a framework for monitoring the integration of ESG considerations into the investment process. Both MV Credit and Loomis Sayles have ESG policies which can be seen upon request.



The Loomis Sayles funds may invest in derivatives for investment purposes, to manage exposures and for risk management.

The Loomis Sayles funds may also enter into securities lending transactions as well as repurchase agreements and reverse repurchase agreements. All decisions with respect to the management of the Loomis Sayles funds are made by the general partner and the alternative investment fund manager of the Loomis Sayles funds. The Sub-Fund 1 will have no right to participate in the management of the Loomis Sayles funds.

The Sub-Fund 1 is actively managed which means that the AIFM or the Portfolio Manager, to the extent a Portfolio Manager has been appointed, may autonomously select the asset allocation and investments in order to achieve its investment objective.

During periods when no suitable investments are identified the Sub-Fund 1 may be substantially liquid for sustained periods; such liquidity may be maintained in cash deposits, UK Treasury bills and other short-dated UK Government securities.

The Sub-Fund 1 may also hold cash, fixed interest securities and money market funds for the purposes of general liquidity management, financing redemption requests and meeting the costs and expenses of the Sub-Fund 1.

The Sub-Fund 1 will, at all times, invest and manage its assets in a manner that is consistent with diversifying investment risk and in compliance with the limits and restrictions set out in section 3.3 (Investment restrictions) below.

### **3.3 Investment restrictions**

The AIFM and/or the Portfolio Manager will determine the asset allocation of the Sub-Fund 1's assets and will select investments ensuring the proper diversification and spread of investment amongst the Sub-Fund 1 in accordance with the investment strategy and restrictions set out by the General Partner. This allocation will be reviewed and, if required, rebalanced regularly.

The Sub-Fund 1 will comply with the investment restrictions in reference to the respective allocations to European private debt and the Loomis Sayles funds.

It is intended to target an allocation to European private debt as from 18 months after the first investment is made in European private debt in accordance with the following guidelines:

- 80% European senior loans;
- 10% European second lien; and
- 10% European non-cash pay subordinated debt.

The allocation to the Loomis Sayles funds will meet the following restrictions:

- Min 20% Global investment grade investments;
- Max 80% Global high yield investments;
- Max 50% Securitized investments;
- Max 50% US bank loans;
- Max 50% Emerging market debt; and
- Max 10% Unhedged emerging market foreign currency

### 3.4 Borrowing policy

The Sub-Fund 1 may incur borrowing, however structured, to pay expenses and/or for other similar working or liquidity purposes, subject always to the provisions of section 4.3 (Borrowing policy) of the general part of the Offering Document.

Therefore, the Sub-Fund 1 may enter into borrowing arrangements and credit facilities as well as issue guarantees and grant security interests over its assets and for the avoidance of doubt it may to secure the payment of the indebtedness issue a guarantee, grant a mortgage, charge, pledge, lien or transfer of title by way of security with respect to all or any of the Sub-Fund 1's assets (including cash, assets or other rights standing to the credit of its bank accounts). The aggregate amount of such borrowings may not exceed 25% per cent of the Net Asset Value of the Sub-Fund 1.

### 3.5 Hedging and use of financial derivative instruments

The Sub-Fund 1 may invest in financial derivative instruments for hedging purposes, in particular for the purpose of hedging risks connected to currency rates and, as the case may be, interest rates.

Financial derivative instruments, including, but not limited to, 'loan TRS', may be used by the Sub-Fund 1 as an investment technique for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income at a level of risk which is consistent with the Sub-Fund 1 risk profile.

The Loomis Sayles funds may invest in futures on securities, indices, interest rates, bank loans and currencies ("**Futures**"), structured notes, including currency, credit- and index-linked notes, forward contracts for securities, indices, interest rates, bank loans and currencies (including non-deliverable forwards and cross hedges), swap contracts and other two-party contracts for securities, indices, interest rates, bank loans and currencies ("**Swaps**"), total return Swaps, swaptions, contracts for differences, put and call options on securities, indices, interest rates, bank loans, Futures, Swaps and currencies, including interest rate caps, floors and collars, warrants and rights, and other derivative investments identified from time to time by the Loomis Sayles funds. Permitted derivatives may be either deliverable or non-deliverable.

The Loomis Sayles funds may invest in credit derivative products to be used in the Loomis Sayles funds as substitutes for cash investments or to manage default risk and credit exposure. These products include single name Credit Default Swaps ("**CDS**") and CDS index products. All CDS instruments (including single name and index Swap instruments) will be assigned the characteristics of the reference entity and will factor into any compliance test that would require evaluating the underlying reference security. CDS Index instruments themselves will not be included in any compliance tests, except for the counterparty exposure test.

#### **4. RISK FACTORS**

Investors should carefully read section 11 (General Risk Factors) and section 12 (Risk factors associated with the Fund's investment in a Loomis Sayles fund) of the general part of the Offering Document before investing in the Sub-Fund 1.

The Sub-Fund 1 is an open-ended fund and Shares may be redeemed in accordance with the Terms and Conditions. The redemption of Shares is subject to restrictions and may in circumstances be suspended, please see Chapter 6 "Shares". Redemptions may cause the Sub-Fund 1 to dispose of investments in order to meet its redemption obligations earlier than anticipated or under less favourable market conditions than the Sub-Fund 1 would otherwise have disposed of such Investments. This may result in a lower Net Asset Value, generating lower or negative returns for the non-redeeming Shareholders. Significant redemptions may lead to significant losses to Shareholders, which remain invested in the Sub-Fund 1.

## **5. MANAGEMENT AND ADMINISTRATION**

### **5.1.1 Use of leverage**

The Sub-Fund 1 may only use leverage through borrowing from third party lenders in accordance with section 3.4 (Borrowing policy) above. In this context, the Sub-Fund 1 and the General Partner may grant securities over the assets of the Sub-Fund 1, as further described in the Articles of Association, the Offering Document and this Supplement.

The Sub-Fund 1 may employ leverage from the use of derivatives for the purpose of hedging, efficient portfolio management, duration management, other risk management of the portfolio or investment in accordance with section 3.5 (Hedging and use of financial derivative instruments).

The leverage is determined by reference to the gross method under Article 7 of the Commission Delegated Regulation and by reference to the commitment method under Article 8 of the Commission Delegated Regulation. Under the gross calculation method, the leverage of the Fund shall in principle not exceed 300% of its assets. Under the commitment calculation method, the leverage of the Fund shall in principle not exceed 200% of its assets.

### **5.1.2 Liquidity management**

The AIFM employs a liquidity management system and has adopted procedures aiming to enable it to monitor the liquidity risk of the Sub-Fund 1 and to ensure that the liquidity profile of the investments of the Sub-Fund 1 complies with its underlying obligations (in accordance with sections 6.8.3, 6.8.4 and 6.8.6) and that the Sub-Fund 1 will be in a position to satisfy redemption request of investors of the Sub-Fund 1 in accordance with the provisions of this Offering Document and the Articles of Association. The liquidity management system aims at ensuring that the Sub-Fund 1 maintains a level of liquid investments appropriate to its underlying obligations based on an assessment of the relative liquidity of the Sub-Fund 1's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors.

The AIFM monitors the liquidity profile of the portfolio of assets having regard to the profile of the investor base of the Sub-Fund 1, the relative size of investments and the redemption terms to which these investments are subject and actual and potential redemption requests of investors of the Sub-Fund 1 both in normal and in Extraordinary Circumstances. The AIFM aims at maintaining appropriate liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments which have or may have a material impact on the liquidity profile of the portfolio of the Sub-Fund 1's assets to enable their effects on the overall liquidity profile to be appropriately measured and considered. The AIFM also puts into effect the tools and arrangements aiming at managing the liquidity of the Sub-Fund 1. The AIFM aims at ensuring the coherence of the investment strategy, the liquidity profile and the redemption policy.

The AIFM intends to proceed, on a regular basis, with stress tests simulating normal and Extraordinary Circumstances in order to evaluate and measure the liquidity risk of the Sub-Fund 1.

### **5.1.3 Periodical information to investors regarding risk and liquidity management**

The AIFM will periodically (and on at least an annual basis) make available to investors in the Sub-Fund 1 the following information, which shall be available through an investor portal:

- a) the current risk profile of the Sub-Fund 1 and the risk management systems employed by the AIFM to manage those risks, including (i) measures to assess the sensitivity of the Sub-Fund 1 portfolio to the most relevant risks to which the Sub-Fund 1 is or could be exposed; (ii) risk limits set by the AIFM that have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken; (iii) any material changes to the risk management systems employed by the AIFM and the anticipated impact of the change on the Sub-Fund 1 and the investors of the Sub-Fund 1;
- b) information on any material changes to the AIFM's liquidity management systems and procedures for the Sub-Fund 1; and
- c) the percentage of the Sub-Fund 1's assets which are subject to special arrangements arising from their illiquid nature.

#### 5.1.4 Conflicts of interest

The General Partner, the AIFM, the Depositary, the Administrator, the Sub-Administrator (if any) and their affiliates (i.e. any person controlling, controlled by or under common control of any of those entities) (each a **"Connected Person"**) may deal as agent or principal in the sale or purchase of securities and other investments to or from the Sub-Fund 1 or contract or enter into any financial, banking or other transaction with the Sub-Fund 1, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and in the best interest of the investors of the Sub-Fund 1, and

- a. a valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, a person approved by the AIFM) as independent and competent has been obtained; or
- b. such transaction has been executed on best terms on a trading venue or other market in financial instruments under its rules; or
- c. where neither a. nor b. are practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the AIFM is) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or the AIFM, in the case of a transaction involving the Depositary) shall document how it has complied with a., b., or c. above. Where transactions are conducted in accordance with c., the Depositary (or the AIFM in the case of a transaction involving the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in the above paragraph.

There is no obligation on the part of any Connected Person to account to the Sub-Fund 1 or to the investors for any benefits so arising, and any such benefits may be retained by the relevant party.

## **6. SHARES**

### **6.1 Shares and Share Classes**

#### **6.1.1 Shares**

Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund 1, as described in more detail in section 6.4 (Subscription for Shares) below.

Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund 1 until and including that point, as described in more detail in section 6.5 (Redemption of Shares) below.

#### **6.1.2 Duration**

The Sub-Fund 1 is established for an unlimited duration.

#### **6.1.3 Share Classes**

The Sub-Fund 1 may issue nine (9) Share Classes to investors in exchange for contributions to the capital of the Sub-Fund 1 as detailed in Appendix 1.

The General Partner may create and issue new Share Classes from to time at its sole discretion, the list and details of which will be set out in this Supplement and in Appendix 1.

### **6.2 Dividend distribution policy**

The Sub-Fund 1 may issue either Capitalisation Shares or Distribution Shares.

### **6.3 Eligible Investors**

Shares in the Sub-Fund 1 may only be acquired or held by investors who are not Prohibited Persons and are either (i) if outside the EEA, Well-Informed Investors or (ii) if within the EEA, Well-Informed Investors qualifying as (a) Professional Investors, as further described in the general part of this Offering Document or (b) Eligible Non-Professional Investors, in each case as set forth for each Share Class under Appendix 1. No additional requirement to the provisions of the general part of this Offering Document will apply.

### **6.4 Subscription for Shares**

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue.

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 10.30 am GMT on the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

#### **6.4.1 Subscription application**

Shares will be available for subscription on each Subscription Day.

The initial price for new Classes to be launched will be 100 in their respective currency unless otherwise provided in the Subscription Form of the relevant Class.

Shares of a Class already launched will be issued at a Subscription Price equal to the Net Asset Value per Share of the relevant Class for that Subscription Day. The Net Asset Value per Share of the relevant Class for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

A Subscription Fee on subscriptions for Shares may be charged, as set out in section 8.1 (Subscription Fee and Redemption Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price.

Investors wishing to subscribe for Shares of the Sub-Fund 1 will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement). The Subscription Form must be submitted to the Administrator following the instructions on such form. The Subscription Form is available from the Administrator on request.

The General Partner will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the General Partner has received all information and supporting documentation it deems necessary to process the application. The General Partner may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the General Partner. Unclear or incomplete applications may lead to delays in their execution. Neither the Sub-Fund 1 nor the General Partner will be liable for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the General Partner prior to receiving clear and complete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the General Partner may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 6.9.

The General Partner reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the General Partner may refuse an application for subscription where the General Partner determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the General Partner will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Sub-Fund 1 is suspended by the General Partner, as described in section 7.4 (Temporary suspension of the Net Asset Value Calculation) below. The issue of Shares

may also be suspended at the discretion of the General Partner, in the best interest of the Sub-Fund 1, notably under other Extraordinary Circumstances.

#### **6.4.2 Settlement of subscription**

The Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement) must be paid in the reference currency of the relevant Share Class or, at the request of the investor, in any other currency accepted by the General Partner.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement, as may be applicable) must be received by the General Partner by the end of the Subscription Settlement Period. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement, as may be applicable) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the General Partner, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee and dilution adjustment detailed under section 6.8.5 of this Supplement, as may be applicable). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The General Partner reserves the right to require indemnification of the Sub-Fund 1 from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement as may be applicable) by the end of the Subscription Settlement Period. The Sub-Fund 1 may deduct such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

#### **6.4.3 Subscription in kind**

The General Partner may agree that Shares be issued as consideration for a "contribution in kind" of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee and dilution adjustment detailed under section 6.8.5 of this Supplement, as may be applicable), provided that such assets comply with the investment objective and policy of the Sub-Fund 1 and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the General Partner shall take into account the interest of other investors of the Sub-Fund 1 and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the General Partner. Applications must be submitted to the Administrator. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the General Partner or in any other way which the General Partner considers fair to all investors of the Sub-Fund 1.

#### **6.5 Redemption of Shares**

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that



Redemption Day. The Redemption Price (less any Redemption Fee and dilution adjustment detailed under section 6.8.5 of this Supplement) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund 1 until their redemption.

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 10.30 am GMT on the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is four (4) Business Days following the Redemption Day.

### **6.5.1 Redemption application**

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

A Redemption Fee may be charged on redemptions of Shares, as set out in section 8.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a percentage of the Redemption Price.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator following the instructions on such form. The Redemption Form is available from the Administrator on request.

The General Partner will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the General Partner has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. Neither the Sub-Fund 1 nor the General Partner will be liable for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in this Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the General Partner may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 6.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares shall be suspended whenever the determination of the Net Asset Value per Share is suspended by the General Partner, as described in section 7.4 (Temporary suspension of the Net Asset Value Calculation) below. The redemption of Shares may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

The General Partner may also decide to defer the redemption of Shares in accordance with section 6.8.4 (Deferral of redemption or conversion of Shares) below.

## 6.5.2 Settlement of redemption

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee and dilution adjustment detailed under section 6.8.5 of this Supplement) will normally be paid by the end of the Redemption Settlement Period. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. Neither the Sub-Fund 1 nor the General Partner will be responsible for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the currency of the relevant Share Class, in accordance with Appendix 1 hereto.

The General Partner reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other Extraordinary Circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The General Partner may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Sub-Fund 1. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

## 6.5.3 Redemption in kind

The General Partner may, in order to facilitate the settlement of substantial redemption applications or in other Extraordinary Circumstances, propose to an investor a “redemption in kind” whereby the investor receives a portfolio of assets of the Sub-Fund 1 of equivalent value to the Redemption Price (less any Redemption Fee). In proposing or accepting a request for redemption in kind at any given time, the General Partner shall take into account the interest of other investors of the Sub-Fund 1 and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund 1, as determined by the General Partner. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the General Partner. Applications must be submitted to the Administrator. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the General Partner or in any other way which the General Partner considers fair to all investors of the Sub-Fund 1.

## 6.6 Conversion of Shares

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day, subject to the approval of the General Partner. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New

Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

### **6.6.1 Conversion application**

Investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

A Conversion Fee and dilution adjustment detailed under section 6.8.5 of this Supplement, as may be applicable, on conversions of Shares may be charged, as set out in section 8.1 (Subscription Fee and Redemption Fee) below. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator following the instructions on such form. The Conversion Form is available from the Administrator on request.

Only conversion applications that are considered clear and complete will be processed. Applications will be considered complete only if the Sub-Fund 1 has received all information and supporting documentation it deems necessary to process the application. The General Partner may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the General Partner. Unclear or incomplete applications may lead to delays in their execution. Neither the Sub-Fund 1 nor the General Partner will accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the General Partner may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 6.9 (Late trading, market timing and other prohibited practices) below.

The General Partner reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the General Partner decides to close the Sub-Fund 1 to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the General Partner.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 7.4 (Temporary suspension of the Net Asset Value Calculation)

below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Offering Document.

## **6.6.2 Conversion rate**

The rate at which the Original Shares are converted into New Shares will be determined by the General Partner and proposed to the investor.

A Conversion Fee may be applied, if and to the extent set out in this Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in this Supplement, where applicable.

## **6.7 Transfer of Shares - Conditions and limitations on transfer of Shares**

Shares may not be transferred without the approval of the General Partner, who reserves the right to accept or refuse any application for transfer at its discretion. In particular, a transfer that would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons, as reasonably determined by the General Partner, is prohibited.

Subject to the above, the transfer of Shares will normally be given effect by the General Partner by way of declaration of transfer recorded in the register of Shareholders of the Sub-Fund 1 following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the General Partner.

The General Partner will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The General Partner may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the General Partner. Unclear or incomplete transfer orders may lead to delays in their execution. Neither the Sub-Fund 1 nor the General Partner will be liable for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

## **6.8 Special considerations**

### **6.8.1 Minimum subscription and holding amounts**

The Sub-Fund 1's minimum subscription for an investor shall be as set forth under Appendix 1 hereto, subject to the General Partner's discretion to accept smaller subscriptions.

The holding of Shares will be subject to a minimum holding amount as set forth under Appendix 1 hereto. The General Partner may deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor would fall below the minimum holding amount of Shares, or if the Net Asset Value of the Shares acquired by the transferee would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the General Partner will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the General Partner has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the General

Partner may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

### **6.8.2 Minimum or maximum level of assets under management**

Where applications for redemptions or conversions out of the Sub-Fund 1 on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in the Sub-Fund 1, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for the Sub-Fund 1 to be operated in an efficient manner, the General Partner may decide to terminate and liquidate the Sub-Fund 1 in accordance with the procedure set out in the Articles of Association. In such a case, all remaining Shares of the Sub-Fund 1 will be redeemed.

The General Partner may also decide to close the Sub-Fund 1 to new subscriptions or new investors where the Sub-Fund 1 has reached or is about to reach its maximum or expected level of assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Sub-Fund 1, or in other circumstances determined by the General Partner, in its sole discretion. In such events, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Sub-Fund 1 will be returned to the applicant.

### **6.8.3 Suspension of issue, redemption or conversion of Shares**

The issue, redemption or conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share is suspended by the Sub-Fund 1 in accordance with section 7.4 (Temporary suspension of the Net Asset Value Calculation) below and in other circumstances specified in the Articles of Association and this Offering Document.

### **6.8.4 Deferral of redemption or conversion of Shares**

On any Redemption Day or Conversion Day the General Partner may decide, in its sole discretion, to defer on a *pro rata* basis amongst all investors seeking to redeem or convert Shares, applications for redemption or conversion of Shares to the next or subsequent Redemption Days or Conversion Days in order to ensure that redemptions and conversions of Shares out of the Sub-Fund 1 represent in aggregate:

- (i) no more than five (5%) of the Net Asset Value of the Sub-Fund 1 per month;
- (ii) no more than twenty-five percent (25%) of the Net Asset Value of the Sub-Fund 1 per quarter; and
- (iii) no more than forty percent (40%) of the Net Asset Value of the Sub-Fund 1 per annum.

For the avoidance of doubt, the General Partner may defer the redemption or conversion of Shares until the Redemption Day or Conversion Day on which the above criteria are met, even if this deferral entails missing several Redemption Days or Conversion Days.

On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day, with a view to ensure a fair treatment of all investors.

The Redemption Price or the conversion rate of the deferred redemptions or conversions will be calculated on the basis of the Net Asset Value per Share for that Redemption Day or

Conversion Day on which the redemption or conversion of Shares is accepted by the General Partner.

The General Partner also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 6.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the General Partner may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund 1 in lieu of cash, subject to the conditions set out in section 6.5 (Redemption of Shares) above.

### **6.8.5 Dilution adjustment (Swing pricing)**

The basis on which Sub-Fund 1's investments are valued for the purpose of calculating the issue and redemption price of Shares are stipulated in this Supplement under Section 7. The actual cost of purchasing or selling investments may be higher or lower than the value used in calculating the Net Asset Value and Net Asset Value per Share – for example, due to dealing charges, or through disposal of assets at prices lower than the value used in the calculation of the Net Asset Value or Net Asset Value per Share. Under certain circumstances (for example, in connection with large redemptions or extraordinary market circumstances) this may have an adverse effect on the interest of investors that remain in the Sub-Fund 1. In order to mitigate this effect, called "dilution", the General Partner has the power to apply a "dilution adjustment", on the issue and/or redemption of Shares. A dilution adjustment is an adjustment to the Share price. The General Partner shall comply with this Supplement, the general part of the Offering Document and the Articles of Association in its application of any such dilution adjustment.

The dilution adjustment will be calculated by reference to the estimated costs of dealing in the underlying investments of the Sub-Fund 1, including, for example, any dealing spread, discounts to net asset value, commission and transfer taxes.

The need to apply a dilution adjustment will depend on the volume of subscriptions or redemptions. The General Partner may apply a dilution adjustment on the subscription and redemption of Shares if, in its opinion, the existing investors of the Sub-Fund 1 (for subscriptions) or remaining investors of the Sub-Fund 1 (for redemptions) might otherwise be adversely affected, and if charging a dilution adjustment is, so far as practicable, fair to all investors of the Sub-Fund 1 and potential investors. In particular, the dilution adjustment may be charged in circumstances such as, for example:

- (i) where over a dealing period the Sub-Fund 1 has experienced a large level of net subscriptions or redemptions relative to its size;
- (ii) on large deals relative to the size of the Sub-fund; or
- (iii) where the General Partner considers it necessary to protect the interests of the investors of the Sub-Fund 1.

When a dilution adjustment is not applied there may be a dilution of the assets of the Sub-Fund 1 which may constrain the future growth of the Sub-Fund 1. It should be noted that as dilution is directly related to the inflows and outflows of monies from Sub-Fund 1, it is not possible to predict accurately whether or not dilution will occur at any particular future point in time, and how frequently the General Partner will need to make such a dilution adjustment.

The dilution adjustment is applied on the capital activity at the level of the Sub-Fund 1 and does not address the specific circumstances of each individual investor transaction.

Based on future projections the estimated dilution adjustment may be up to 5% of the Net Asset Value per Share on subscriptions and up to 10% of the Net Asset Value per Share on redemptions of Shares. These are maximum percentages which apply in normal market conditions only and as such the General Partner does not expect to apply them often. However, although the dilution adjustment is normally not expected to exceed these percentages, the General Partner may decide to increase this adjustment limit in exceptional circumstances to protect Shareholders' interests. It is currently expected that a dilution adjustment will be incurred only on a certain number of transactions. However, the actual percentages can only be accurately calculated at the time at which they are applied and, as such, these percentages are subject to change.

#### **6.8.6 Limited redemption procedure in Extraordinary Circumstances**

In addition to section 6.8.4, in the case of Extraordinary Circumstances as described in this section 6.8.6 (Limited redemption procedure in Extraordinary Circumstances) and decided in good faith by the General Partner, in its sole discretion, the General Partner may introduce the limited redemption procedure (the "**Limited Redemption**").

The General Partner will send a notification to the investors in order to inform them that:

- (i) Sub-Fund 1 has entered into a limited redemption period with effect from the date of the notification (the "**Notification Date**"); and
- (ii) the General Partner will only accept further redemption requests ("**Limited Redemption Requests**") submitted from the Notification Date and before the date specified in the notification (the "**Limited Redemption Period**").

During the Limited Redemption Period, investors shall have the option to submit Limited Redemption Requests on each Redemption Day, subject to the following restrictions.

On any Redemption Day during the Limited Redemption Period (the "**Limited Redemption Day**"), the General Partner will not process a Limited Redemption Request from an investor to the extent that if the redemption request was, fully or partially, processed:

- (i) the total number of Shares to be redeemed on that Limited Redemption Day will result in the aggregate number of Shares redeemed by that investor within the prior 30-day period (including the relevant Limited Redemption Day) exceeding 1% of the Shares held by that investor on the beginning of that Limited Redemption Day; and
- (ii) the total number of Shares to be redeemed on that limited Redemption Day will result in the aggregate number of Shares redeemed by that investor within the Limited Redemption Period exceeding 5% of the Shares held by that investor on the first day of the Limited Redemption Period;

(each and together the "**Limited Redemption Period Limit(s)**").

Limited Redemption Requests will be accepted at the Limited Redemption Price (as defined below). Investors will be paid the proceeds of redemption within 185 days of the Limited Redemption Day (the "**Limited Redemption Payment Day**").

The part of each Limited Redemption Request that was not processed as a result of the Limited Redemption Period Limit(s) will be deferred and considered for redemption on a future Limited Redemption Day, subject to the applicable redemption limits.

Limited Redemption Requests that are outstanding at the end of the Limited Redemption Period will be switched into regular redemption requests and considered for redemption on the next Redemption Day after the end of the Limited Redemption Period.

If any investor has an outstanding redemption request at the Notification Date, such request shall automatically be transferred to the Limited Redemption unless the redeeming investor wishes to withdraw its redemption request prior to the Limited Redemption Day. Where requested, the General Partner shall discuss with the investor whether it is in the investor's best interests to withdraw its outstanding redemption request or have it transacted as a Limited Redemption Request so as to secure the best possible price for that investor.

The limited redemption price (the "**Limited Redemption Price**") is based on the Sub-Fund 1's Net Asset Value, as at the Limited Redemption Day, adjusted by a spread (the "**Spread**"), if any, reflecting the expected or actual discount relative to Net Asset Value, of prices obtained through secondary sales under the then prevailing market conditions.

The Spread (if any) will be determined, in good faith, by the General Partner, in consultation with the AIFM, and, where appropriate, third party service providers. Any potential hedging gains or losses relating to the Disposal Portfolio (as defined below) will be borne by the redeeming investors.

For the purpose of determining any Spread and the Limited Redemption Price, it will be assumed that the Sub-Fund 1 will, if it were necessary to meet Limited Redemption Requests realise selected assets, including cash and cash equivalents, believed to fairly and reasonably represent the Sub-Fund 1's portfolio, in consideration of the level of Limited Redemption Requests, relative to the Sub-Fund 1's total size (pre-redemption), for such Limited Redemption Day (the "**Disposal Portfolio**").

The General Partner will, in consultation with the AIFM and the Portfolio Manager and on the basis of criteria such as, but not limited to, vintage year, funding level, geographical focus and quality of the assets, determine which assets may be sold to meet Redemption Requests, and thus serve to determine the Spread.

## **6.9 Late trading, market timing and other prohibited practices**

The Sub-Fund 1 does not permit late trading practices as such practices may adversely affect the interests of investors.

Subscriptions and conversions of Shares should be made for investment purposes only. The Sub-Fund 1 does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which an investor systematically subscribes and redeems Shares in the Sub-Fund 1 within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Sub-Fund 1 and other investors, the General Partner has the right to reject any subscription or conversion order, or levy in addition to any Subscription Fee, Redemption Fee or Conversion Fee and in addition to the application of the dilution adjustment provided for under section 6.8.5 (Dilution adjustment (Swing pricing)), a fee of up to two percent (2%) of the value of the order for the benefit of the Sub-Fund 1, from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the



opinion of the General Partner, has been or may be disruptive to the Sub-Fund 1. In making this judgment, the General Partner may consider trading done in multiple accounts under common ownership or control.

The General Partner also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Supplement. The General Partner considers such persons as Prohibited Persons.

Neither the Sub-Fund 1 nor the General Partner will be held liable for any loss resulting from rejected orders or compulsory redemptions.

#### **6.10 Prohibited Persons**

In addition to the provisions of the general part of this Offering Document, any person not qualifying as an Eligible Investor will be considered as a Prohibited Person.

Furthermore, the General Partner has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 6.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Sub-Fund 1 may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide the abovementioned representations, warranties or information in a timely manner. In such cases, the General Partner will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 6.5 (Redemption of Shares) above.

## **7. VALUATION AND NET ASSET CALCULATION**

### **7.1 Calculation of the Net Asset Value**

The Net Asset Value per Share of the Sub-Fund 1 shall be determined by the Administrator as of each Valuation Day (as described below) under the responsibility of the AIFM, as described in section 7 (Valuation and Net Asset Calculation) of the general part of the Offering Document and this section 7. It shall be calculated by dividing the Net Asset Value of the Shares of Sub-Fund 1 by the total number of Shares in issue as of that Valuation Day.

A Valuation Day will be each Business Day. The Net Asset Value per Share will be calculated as of 5.30 pm GMT on each Valuation Day.

### **7.2 Additional rules for assets and liabilities of the Fund**

In calculating the Net Asset Value of the Sub-Fund 1 the following principles will apply (for the avoidance of doubt, Subscription Fees, Redemption Fees and Conversion Fees, as well as dilution adjustments provided for under section 6.8.5 (Dilution adjustment (Swing pricing) are not taken into account for the calculation of the Net Asset Value):

- 1) Each Share agreed to be issued by the Sub-Fund 1 on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Sub-Fund 1, the assets of the Sub-Fund 1 will be deemed to include a claim of that Sub-Fund 1 for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund 1 will be increased by such amount immediately after the time of valuation on the Subscription Day.
- 2) Each Share agreed to be redeemed by the Sub-Fund 1 on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Sub-Fund 1, the liabilities of the Sub-Fund 1 will be deemed to include a debt of the Sub-Fund 1 for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund 1 will be decreased by such amount immediately after the time of valuation on the Redemption Day.
- 3) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Sub-Fund 1, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Sub-Fund 1, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Sub-Fund 1 has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the AIFM in accordance with the valuation principles described above.
- 4) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Sub-Fund 1 will be converted, as applicable, into the Reference Currency of the Sub-Fund 1 at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the AIFM considers appropriate.

### **7.3 Publication of the Net Asset Value**

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day.

The Net Asset Value of EUR F Share Class is available on the Morningstar On Demand of Morningstar Direct search engine by searching for ISIN LU2601927879 and Security Id F00001F9NU. Such search engine is accessible via the information made available on the Website (as defined under section 9.1).

### **7.4 Temporary suspension of the Net Asset Value calculation**

The General Partner, upon consultation with the AIFM, may temporarily suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares in the following cases:

- 1) when any exchange or regulated market that supplies the price of the assets of the Sub-Fund 1 is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- 2) when the information or calculation sources normally used to determine the value of the assets of Sub-Fund 1 are unavailable;
- 3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of Sub-Fund 1, or which is required to calculate the Net Asset Value per Share;
- 4) when exchange, capital transfer or other restrictions prevent the execution of transactions of Sub-Fund 1 or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- 5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of Sub-Fund 1 for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- 6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the AIFM and/or the Fund from being able to manage the assets of the Sub-Fund 1 in a normal manner and/or prevent the determination of their value in a reasonable manner;
- 7) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which Sub-Fund 1 is invested;
- 8) when, for any other reason, the prices or values of the assets of Sub-Fund 1 cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund 1 in the usual way and/or without materially prejudicing the interests of investors;
- 9) in the event of a notice to investors of the Sub-Fund 1 convening an extraordinary general meeting of Shareholders for the purpose of dissolving and liquidating the Sub-

Fund 1 or informing them about the termination and liquidation of the Sub-Fund 1, and more generally, during the process of liquidation of the Sub-Fund 1;

- 10) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- 11) during any period when the dealing of the Shares of the Sub-Fund 1 on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- 12) in Extraordinary Circumstances, whenever the General Partner considers it necessary in order to avoid irreversible negative effects on the Sub-Fund 1, in compliance with the principle of fair treatment of investors in their best interests.

In the event of Extraordinary Circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for the Sub-Fund 1, the General Partner reserves the right to determine the Net Asset Value per Share for the Sub-Fund 1 only after the Sub-Fund 1 has completed the necessary investments or divestments in securities or other assets for the Sub-Fund 1.

The issue, redemption and conversion of Shares will also be suspended during any such period when the Net Asset Value of such Share is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares, will be published and/or communicated to investors as required by applicable laws and regulations.

Suspended subscription, redemption, and conversion applications, where applicable, will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period, in accordance with sections 6.8.3, 6.8.4 and 6.8.6.

## **7.5 Error in the calculation of the Net Asset Value**

The AIFM has implemented procedures in case of error in the calculation of the Net Asset Value which are compliant, to the extent applicable, with circular CSSF 02/77 on the protection of investors in case of NAV calculation error and compensation of the consequences resulting from non-compliance with the investment rules applicable to undertakings for collective investment, as amended or superseded from time to time. For the avoidance of doubt, no communication to the CSSF will be made in case of error in the calculation of the Net Asset Value as the Fund, including the Sub-Fund 1, is not supervised by the CSSF.

## **8. FEES AND EXPENSES**

### **8.1 Subscription Fee and Redemption Fee**

Subscriptions for Shares are subject to a Subscription Fee and redemptions of Shares are subject to a Redemption Fee. Conversions of Shares are subject to a Conversion Fee. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Where applicable, an identical Subscription Fee, Redemption Fee, or Conversion Fee will apply, respectively, to all subscriptions, redemptions and conversions of Shares processed on the same Subscription Day, Redemption Day or Conversion Day.

The Subscription Fee, Redemption Fee and Conversion Fee will be paid to the Sub-Fund 1. The General Partner may in its discretion waive all or part of the Subscription Fee, Redemption Fee or Conversion Fee.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Sub-Fund 1 has no control over such arrangements.

### **8.2 Management Fee**

The AIFM will be entitled to an annual fee as detailed in the Share Class table in Appendix 1 as applicable to the relevant Share Class and paid out of the assets of the Sub-Fund 1 (as described in section 7 (Valuation and Net Asset Calculation) of the general part of this Offering Document). The Management Fee will accrue on each Valuation Day and will be payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December of each year.

### **8.3 Portfolio Manager Fee**

The fees relating to the portfolio management function of the Sub-Fund 1 are included in the Management Fee. Accordingly, no specific Portfolio Management Fee will be payable by investors of the Sub-Fund 1. The details of the payment of the Portfolio Manager Fee to the Portfolio Manager out of the Management Fee will be set out in the Portfolio Management Agreement.

The Sub-Fund 1 may invest in one or more Loomis Sayles funds. As a result, an investor indirectly bears a portion of the fees, costs and expenses of the Loomis Sayles funds. No fees are directly payable by the investors of the Sub-Fund 1 to the Loomis Sayles funds.

### **8.4 Performance Fee**

No Performance Fee will be payable by investors of the Sub-Fund 1.

### **8.5 Fees of the Depositary, the Administrator and the Sub-Administrator**

The Depositary will be entitled to an annual fee equal to a percentage of the average Net Asset Value of the Sub-Fund 1 or Share Class of the Sub-Fund 1 consistent with market practice in Luxembourg, subject to a minimum flat fee for the Sub-Fund 1 or per Share Class and a maximum rate expected to range from 0.015% to 0.020% per annum. The Depositary fee will accrue on each Valuation Day and will be payable out of the assets of the Sub-Fund 1 and allocated to each Share Class (as described in section 7.2.7 (Allocation of assets and

liabilities to Sub-Funds and Share Classes) of the general part of the Offering Document. Fees paid to the Depositary may vary depending on the nature of the investments of the Sub-Fund 1 and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Administrator will be entitled to an annual fee equal to a percentage of the average Net Asset Value of the Sub-Fund 1 or Share Class of the Sub-Fund 1 consistent with market practice in Luxembourg, subject to a minimum flat fee for the Sub-Fund 1 or per Share Class and a maximum annual rate expected to range from 0.04% to 0.06% per annum. The Administrator fee will accrue on each Valuation Day and will be payable out of the assets of the Sub-Fund 1 and allocated to each Share Class (as described in section 7.2.7 (Allocation of assets and liabilities to Sub-Funds and Share Classes) of the general part of the Offering Document. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Management Fee paid to the AIFM with respect to each calendar year shall be reduced by an amount equal to any fees and expenses payable to the Depositary, the Administrator and the Sub-Administrator and the Portfolio Manager (if any), as described in this clause 8.5.

## **8.6 Profit Share and expenses**

The General Partner will receive a Profit Share in consideration for its functions for an amount of one thousand Euro (EUR 1,000.-) per annum or such greater amount as is agreed between the General Partner and the Sub-Fund 1, payable out of the assets of the Sub-Fund 1.

The Sub-Fund 1 will also reimburse the General Partner for appropriate insurance coverage and expenses and other costs incurred by the General Partner and members of the Board of Managers in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the General Partner, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the General Partner.

To the extent the annual Profit Share paid to the General Partner in any calendar year exceeds one thousand Euro (EUR 1,000.-) per annum, the Management Fee paid to the AIFM with respect to such calendar year shall be reduced by an amount equal to any such excess Profit Share.

## **8.7 Operating and Administrative Expenses of the Sub-Fund 1**

The Sub-Fund 1 bears all ordinary costs and expenses incurred in the operation and administration of the Sub-Fund 1 ("**Operating and Administrative Expenses of the Sub-Fund 1**") including but not limited to costs and expenses incurred in connection with:

- 1) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Sub-Fund 1 that are required by applicable laws and regulations (such as the Articles of Association, this Offering Document, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- 2) organising and holding general meetings of Shareholders and preparing, printing, publishing and/or distributing notices and other communications to Shareholders;

- 3) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Sub-Fund 1 or the AIFM or the Portfolio Manager on behalf of the Sub-Fund 1;
- 4) the authorisation of the Sub-Fund 1 and regulatory compliance obligations and reporting requirements of the Sub-Fund 1 (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Sub-Fund 1 and/or the members of the Board of Managers;
- 5) initial and ongoing obligations relating to the registration of the Sub-Fund 1 and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- 6) the determination and publication of tax factors for the EU/EEA Member States and/or any other countries where distribution licences and/or private placements exist, according to the actual expenditure incurred at market rates;
- 7) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Sub-Fund 1; and
- 8) the reorganisation or liquidation of the Sub-Fund 1.

To the extent the Operating and Administrative Expenses of the Sub-Fund 1 paid by the Sub-Fund 1 do not relate to cost and expenses which should be borne by investors, as decided in good faith by the General Partner, the Management Fee paid to the AIFM shall be reduced by an amount equal to any such cost and expenses.

## **8.8 Transaction costs**

The Sub-Fund 1 will bear the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, legal and professional advisors, execution agents or securities lending agents and/or incurred in participating in any securities lending, repurchase and buy-sell back programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses approved by the AIFM. The exact maximum of these costs cannot be estimated at this time.

## **8.9 Extraordinary costs and expenses**

In order to safeguard the interests of the Sub-Fund 1 and its investors, the Sub-Fund 1 may bear any extraordinary costs and expenses including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Sub-Fund 1 that would not be considered as ordinary Operating and Administrative Expenses. The exact maximum of these costs cannot be estimated at this time.

## **8.10 Formation costs and expenses**

The costs and expenses incurred in connection with the formation of the Sub-Fund 1 will be borne by the AIFM.



## 9. GENERAL INFORMATION

### 9.1 Reports, financial statements and Dutch law disclosures

The Reference Currency of the Sub-Fund 1 is the Pound Sterling.

Each investor may be provided, upon request, by the Sub-Fund 1 with reporting information as agreed between the investor and the Sub-Fund 1 and in compliance with applicable laws.

The AIFM declares that the AIFM, the Sub-Fund 1 and the Depositary comply with the rules laid down by or pursuant to the AFS and that this Supplement complies with the rules laid down by or pursuant to the AFS and the BGfo.

Any complaints of Investors concerning the Sub-Fund 1 will be handled in accordance with the AIFM's complaints policy and can be filed:

- By email to: [compliance@mvccredit.com](mailto:compliance@mvccredit.com)
- By letter, sent to the attention of the Complaints Officer at the following address: MV Credit Sàrl, 51 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

The AIFM's complaints policy is available upon request from the AIFM and free of charge. Such complaints policy provides also for the opening of an extrajudicial procedure before the CSSF, subject to the conditions provided therein and the CSSF Regulation 16-07.

Information about the Sub-Fund 1, including copy of the present Supplement and of the Offering Document, are available on the website <https://www.mvccredit.com/> in accordance with Article 115v of the BGfo (the "**Website**").

Proof of the authorization of the AIFM to act as alternative investment fund manager is available on the CSSF website at the following link: <https://searchentities.apps.cssf.lu/search-entities/entite/details/7073601?lng=en&q=&st=advanced&entNames=MV%20credit>.

An up to date list of the alternative investment funds managed by the AIFM is available in the excel file provided by the CSSF at the following link: <https://www.cssf.lu/en/Document/identifiers-of-aifms/>

Information on the AIFM and the Depositary as required by law being available from the relevant commercial registers may be requested from the AIFM against cost price. The AIFM Agreement, the Depositary Agreement and the Administration Agreement are available upon request in accordance with section 9.5 of the Offering Document and free of charge. The Annual Report and the half-year figures of Sub-Fund 1 and the Articles of Association as of the date of this Supplement will be available on the Website free of charge.

The Website will also include information on payments to Shareholders, the composition thereof and the method of such payments.

The remuneration policy of the AIFM is described under section 5.2 of the Offering Document. Further information on the remuneration policy of the AIFM is available on the Website.

Any notice of a general meeting of Shareholders will be published via the Website, at least 14 (fourteen) days in advance of such general meeting.

A monthly statement, signed by the AIFM and by the Depositary, that includes the total Net Asset Value of the investments of Sub-Fund 1, the composition of these investments, the number of issued Shares and the most recently determined Net Asset Value per Share, indicating the relevant Valuation Day, is available upon request from the AIFM and on the Website free of charge.

KPMG Accountants N.V., a Dutch limited liability company, with registered office at Laan van Langerhuize 1, 1186 DS, Amstelveen, The Netherlands, has attested that this supplement contains the information required by applicable law, in accordance with Article 115x of the BGfo.

## **9.2 Amendments to the Offering Document and/or this Supplement**

Amendments to the Offering Document and/or this Supplement are carried out in accordance with Section 9.4 (*Changes to this Offering Document*) of the Offering Document.

In addition, with respect to Shareholders of the EUR F Share Class, in accordance with Article 115x and Annex I of the BGfo, an amendment of the conditions causing a reduction of any such Shareholder's rights or security, imposing costs on any such Shareholder or causing a change to the investment policy of the Sub-Fund 1, only becomes effective *vis-à-vis* such Shareholders after the lapse of a period of one month following the date of the notification thereof. Shareholders of the EUR F Share Class may redeem their Shares in this period in accordance with the terms set out in the Offering Document and this Supplement.

Any proposal to amend the terms and conditions of Sub-Fund 1 applicable to Shareholders of the EUR F Share Class will be published, together with an explanation of such proposal(s), on the Website.

Any amendment to the terms and conditions of Sub-Fund 1 applicable to Shareholders of the EUR F Share Class will be published on the Website, together with an explanation of such amendment(s), insofar as such amendment(s) deviate from the proposal(s) referred to in the paragraph immediately above.

## **9.3 Liquidation**

### **9.3.1 Termination and liquidation of Sub-Fund 1**

Only after a thirty (30) days' prior written notice given to the investors by any means, the General Partner may decide to compulsorily redeem all the Shares of the Sub-Fund 1 and thereby terminate and liquidate the Sub-Fund 1 in the event that, for any reason and taking into account the interests of all investors in the Sub-Fund 1, the General Partner determines that:

- (i) the Net Asset Value of the Sub-Fund 1 has decreased to, or has not reached, the minimum level for the Sub-Fund 1 to be operated in an efficient manner;
- (ii) a significant amount of redemption requests would justify such liquidation;
- (iii) extraordinary changes in the legal, market, economic or political environment would justify such liquidation; or
- (iv) a product rationalisation would justify such liquidation.

Investors in the Sub-Fund 1 will be informed of the decision to terminate the Sub-Fund 1 by way of a notice. The notice will explain the reasons for and the process of the termination and liquidation. Alternatively, the General Partner may offer investors the possibility to convert their Shares in Sub-Fund 1 into shares of another Sub-Fund at terms to be determined at such time.

Notwithstanding the powers conferred on the General Partner by the preceding paragraph, the investors of the Sub-Fund 1 may also decide on such termination by resolution taken by the general meeting of Shareholders of the Sub-Fund 1 and have the Sub-Fund 1 redeem compulsorily all the Shares of the Sub-Fund 1 at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund 1 concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the General Partner determines that it would not be in the best interest of investors in the Sub-Fund 1 or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

#### **9.4 EU SFDR and EU Taxonomy Regulation disclosures**

The following disclosures are made pursuant to the EU SFDR and the EU Taxonomy Regulation.

For the purposes of the EU SFDR disclosures, a sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Sub-Fund 1's investments.

#### **TRANSPARENCY ON THE INTEGRATION OF SUSTAINABILITY RISKS**

- (Article 6 (1) of EU SFDR)

The AIFM and/or the Portfolio Manager takes into account sustainability risks as a part of their pre-investment due diligence procedures and ongoing monitoring processes.

In order to integrate sustainability risks into its investment decision-making process in respect of all of the Sub-Fund 1's direct investments, the Portfolio Manager incorporates the following:

- Negative exclusion - certain specific sectors, issuers or themes will be excluded where investor or regulatory restrictions apply;
- ESG screening - investing in companies that demonstrate low ESG risk factors, and / or companies that are well situated to deliver lasting growth; and
- ESG integration - the inclusion of sustainability risks alongside traditional financial analysis of companies by investment managers.

Prior to any investment, the Portfolio Manager examines the ESG attributes of a company by adopting a risk-based materiality approach on a case-by-case basis, whilst simultaneously

utilising an ESG checklist that is proprietary to the Portfolio Manager. The responsibility for incorporating ESG considerations (including sustainability risks) into the due diligence process for any investment resides with the Portfolio Manager's Investment Board and its investment team.

Following the conclusion of due diligence, the findings are incorporated into a dedicated ESG section within each investment memorandum that is presented to the Investment Board for approval.

The Portfolio Manager has established a committee (the "**ESG Committee**") to independently verify and oversee the implementation of its ESG policy, investment procedures and principles. The ESG Committee is partly responsible for ESG-related reporting (including sustainability risks) on an annual basis, and assists the Manager Board, the investment team and other employees in implementing the Portfolio Manager's ESG procedures.

The Portfolio Manager seeks to identify and assess material sustainability risks on an investment-by-investment basis in accordance with the above process and implement any necessary action plans to address any such risks. As a result of following this process, the Portfolio Manager does not anticipate that sustainability risks will have a material negative impact on returns, although there can be no guarantee that the process will successfully identify and mitigate all material risks.

Pursuant to section 3.2 ("**Investment Policy**") of this Supplement, the remaining portion of the investments of the Sub-Fund 1 is expected to be invested in one or more Loomis Sayles funds. The Portfolio Manager examines the extent to which the Loomis Sayles funds' alternative investment fund manager has satisfactory processes in place to take sustainability risks into consideration in its risk management and investment decision-making processes. However, and for the avoidance of doubt, these processes are distinct from the AIFM's and/or Portfolio Manager's processes for the consideration of sustainability risks (as described above), and the AIFM and/or the Portfolio Manager will not ensure that the Loomis Sayles funds alternative investment fund manager has satisfactory risk management processes in place to integrate sustainability risks in every single investment decision.

## **OTHER DISCLOSURES**

Additional EU SFDR Disclosures can be found in [Appendix 3](#) ("Sustainable Finance Disclosures Regulation") hereto.

## Appendix 1: Share Class Table – Sub-Fund 1

The General Partner reserves the right to issue to investors, at its sole discretion, any of the Share Classes listed and each having the features as described in the Share Class table below.

In order to determine which Share Class will be issued to an investor by the Sub-Fund 1, the General Partner will take into account the following criteria: (i) the type and status of the investor, (ii) the size of its subscription and (iii) the timing of its investment in the Sub-Fund 1.

Share Class	Minimum subsequent subscription amount	Management Fee as described in this Supplement	Subscription Fee	Redemption Fee	NAV Hedging*	Eligible Investors
GBP A - Capitalisation	£1	0.43	nil	nil	N/A	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
GBP B - Capitalisation	£1	0.55	nil	nil	N/A	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
GBP C - Capitalisation	£1	0.60	nil	nil	N/A	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
GBP D - Capitalisation	£1	0.65	nil	nil	N/A	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only

GBP E - Capitalisation	£1	0.70	nil	nil	N/A	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
EUR B - Capitalisation	€1	0.55	nil	nil	hedged	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
EUR C - Capitalisation	€1	0.60	nil	nil	hedged	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
EUR D - Capitalisation	€1	0.65	nil	nil	hedged	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
EUR E - Capitalisation	€1	0.70	nil	nil	hedged	Outside the EEA, Well-Informed Investors generally and within the EEA Professional Investors only
EUR F - Capitalisation	€1	0.70	nil	nil	hedged	Well-Informed Investors qualifying as Eligible Non-Professional Investors
USD A - Capitalisation	\$ 1	1.00	nil	nil	hedged	Outside the EEA, Well-Informed

						Investors generally and within the EEA Professional Investors only
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All other fees applicable to Sub-Fund 1 are as described in Section 8 of this Supplement: Fees and Expenses.

Except as mentioned in the Share Class table or otherwise expressly stated in the present Supplement, all other rights and obligations pertaining to a Shareholder will be the same across the different Share Classes.

\*NAV Hedging aims at minimising the effect of currency movements between the Reference Currency of the Sub-Fund 1 and the relevant hedged Share Class currency. The currency risk cannot be fully mitigated, and a residual currency risk will exist.

## **Appendix 2: Regulated Markets**

As of the date hereof, there are no Regulated Markets on which publicly traded debt instruments in which the Sub-Fund 1 invests are traded.



## Appendix 3: Sustainable Finance Disclosures Regulation

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

Product name: MV Dual Credit SM Fund I

Legal entity identifier: 549300DS784GPFQQWY32

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

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

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

with a social objective

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



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

For the purposes of SFDR, the AIFM, and not the Portfolio Manager, is the “financial market participant” required to make pre-contractual disclosures in relation to the Sub-Fund 1. In this Appendix, all references to the Portfolio Manager are references to the Portfolio Manager providing portfolio management services to the Sub-Fund 1 as delegate of (and subject to the overall supervision and oversight of) the AIFM.

The Portfolio Manager will make direct investments but may also make indirect investments, by investing in certain funds managed by Loomis, Sayles & Company, L.P. (the “**Loomis Sayles funds**”).

The Portfolio Manager has identified the environmental and social characteristics (the “**Characteristics**”), listed below, which are being promoted as part of the Sub-Fund 1’s investment process.

### Direct investments

In respect of all investments in the portfolio other than the investments in the Loomis Sayles funds:

#### Characteristic 1

1. the promotion of environmental and social characteristics through the exclusion of certain investments that have the potential to create adverse environmental and/or social impacts in respect of health and well-being, social cohesion, and biodiversity, specifically an exclusion of investments in any company the business of which includes:
  - weapons production & distribution (excluding those weapons supplied for military/police purposes)
  - weapons comprising tailor-made components for military/police purposes
  - tobacco (production and distribution)
  - production or trade of illegal drugs or narcotics
  - legally authorised trade of recreational cannabis
  - opioid manufacturing and distribution for medical purposes
  - production and/or distribution of alcohol (excluding medical alcohol)
  - extraction or sale of hydrocarbons derived from oil sands
  - coal mining
  - coal-based energy
  - physical casinos
  - online gaming platforms (excluding educational games)
  - payday lending
  - adult entertainment
  - asbestos fibre production
  - trade in endangered or protected wildlife
  - food commodity derivatives
  - palm oil production

- care homes
- nurseries and primary schools  
(each an “**Excluded Business**”).

The Portfolio Manager may, from time to time, implement additional exclusions into the management of the Sub-Fund 1.

### **Characteristic 2**

2. the promotion of health and well-being, social cohesion, and biodiversity through the exclusion of investments in any company where a material negative ESG consideration is identified (based on an internal evaluation) unless it is justified based on adequate mitigating factors (such as effective measures at the investee company to mitigate the material ESG consideration or where it will be removed by the investee company, for example through divestment or otherwise ceasing the activity).

### **Indirect investments**

In respect of investments in the portfolio that are investments in the Loomis Sayles funds:

### **Characteristic 3**

3. the promotion of certain environmental and social characteristics through the exclusion of certain investments that have the potential to create adverse environmental and/or social impacts in respect of health and well-being and social cohesion, specifically, through the investment only in Loomis Sayles funds which adhere to the minimum exclusion of investments in any company:
  - involved in the production or trade of cluster ammunition
  - that derives more than 2.5% of its revenue from the production or trade of tobacco or coal
  - that has its primary business focus in the manufacture of arms and ammunitions
  - that derives more than 20% of its revenue from adult entertainment
  - involved in (1) the production and/or sale of alcohol or (2) gambling that would result in the relevant Loomis Sayles fund(s), on a fund-by-fund basis, having exposure to the alcohol and gaming industry exceeding 20% of each fund’s total portfolio (measured as of the date any such investment is to be made)
  - with unaddressed UN Global Compact violations  
(each an “**Indirectly Excluded Business**”).

For the avoidance of doubt, the AIFM and/or Portfolio Manager does not examine on a case-by-case basis whether specific investments of the Loomis Sayles funds promote Characteristic 3 or meet Characteristic 3, but

instead relies on contractual commitments from Loomis, Sayles & Company, L.P. to ensure this.

No reference benchmark has been designated for the purposes of attaining the environmental or social characteristics promoted by the Sub-Fund 1.

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

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

The attainment of the environmental and social characteristics promoted by the Sub-Fund 1 will be measured using the sustainability indicators specified below.

**Direct investments**

For Characteristic 1, attainment will be measured by absence of exposure to companies active in an Excluded Business.

<b>Excluded Business</b>
Weapons production & distribution (excluding those weapons supplied for military/police purposes)
Weapons comprising tailor-made components for military/police purposes
Tobacco (production and distribution)
Production or trade of illegal drugs or narcotics
Legally authorised trade of recreational cannabis
Opioid manufacturing and distribution for medical purposes
Production and/or distribution of alcohol (excluding medical alcohol)
Extraction or sale of hydrocarbons derived from oil sands
Coal mining
Coal-based energy

Physical casinos
Online gaming platforms (excluding educational games)
Payday lending
Adult entertainment
Asbestos fibre production
Trade in endangered or protected wildlife
Food commodity derivatives
Palm oil production
Care homes
Nurseries and primary schools

For Characteristic 2, attainment will be measured against indicators disclosed in respect of the principal adverse impacts on sustainability factors (see the section of this disclosure titled “Does this financial product consider principal adverse impacts on sustainability factors?”).

#### **Indirect investments**

For Characteristic 3, attainment will be measured by absence of exposure to companies active in an Indirectly Excluded Business, as adjusted, where relevant, for any revenue or exposure thresholds.

<b>Indirectly Excluded Business</b>
Production or trade of cluster munitions
Production or trade of tobacco or coal where accounting for more than 2.5% of company revenue
Manufacture of arms and ammunitions where primary business focus

Adult entertainment where accounting for more than 20% of company revenue

Unaddressed UN Global Compact violations

(1) Production and/or sale of alcohol or (2) gambling that would result in the relevant fund(s), on a fund-by-fund basis, having exposure to the alcohol and gaming industry exceeding 20% of each fund's total portfolio (measured as of the date any such investment is to be made)

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

Not applicable - the Portfolio Manager, on behalf of the Sub-Fund 1, does not commit to make "sustainable investments" for the purposes of SFDR.

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

***How do 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.

*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 not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

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



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

- Yes, as above the Portfolio Manager, on behalf of the Sub-Fund 1, considers the following indicators with respect to direct investments only.

**Principal Adverse Impacts** considered in the investment process are expected to include some or all of the following:

**Corporates** (Table 1)

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting bio-diversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (“**OECD**”) Guidelines for Multinational Enterprises
11. Lack of process and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

**How the Portfolio Manager considers adverse harm**

Principal adverse impacts on sustainability factors (“**PASI**”) are considered throughout the investment decision making process for all of the Sub-Fund 1’s direct investments, through ESG screening and integration processes deployed by the Portfolio Manager.

Prior to any direct investment, the Portfolio Manager examines the PASI profile of a company by adopting a risk-based materiality approach on a case-by-case basis, whilst simultaneously utilising an ESG checklist with questions on various ESG KPIs, including PASI, that is proprietary to MV

Credit. A tailored ESG section is included in the relevant investment memorandum on the basis of this diligence for discussion by the relevant the Portfolio Manager's investment team (the "**Investment Team**") and the Investment Board as part of the investment proposal.

The Investment Board will assess whether to make the investment partly based on the conclusions in respect of the performance on material ESG factors, which may include PASI.

Subsequently, during the holding period, the Investment Team and the Portfolio Manager's credit monitoring team are required to report on / raise to the attention of the Portfolio Manager any ad-hoc ESG related events and/or incidents concerning a borrower that they are made aware of and reporting on ESG matters may be sought as part of the borrower's mandatory information undertakings.

### **Where will the Portfolio Manager report further information?**

Further information on principal adverse impacts on sustainability factors will be set out in the Sub-Fund 1's annual report.

No

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

#### **Direct investments**

The Sub-Fund 1 invests across a range of private and publicly traded debt instruments with a global remit, including emerging markets. Exposure to assets may be gained either directly, or indirectly via collective investment schemes, other investment vehicles, or derivatives. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

The Sub-Fund 1 promotes certain environmental and/or social characteristics within the meaning of Article 8 of the SFDR and as detailed above.

Approximately 60% of the investments of the Sub-Fund 1 are expected to be investments into predominantly European private debt, in companies that typically have a market-leading position in stable and less cyclical sectors. This investment approach is built on two core principles: rigorous credit analysis and downside protection. Included within European private debt will be:

- European senior loans;
- European second lien; and
- European non-cash pay subordinated debt.



## Indirect investments

The remaining portion of the investments of the Sub-Fund 1 is expected to be invested in one or more Loomis Sayles funds. Loomis Sayles funds selected will adopt a strategy which seeks exposure to a globally diverse mix of sector and credit-focused liquid asset classes. This is driven by top-down tactical allocations across credit strategies throughout the global credit cycle and will include:

- Global investment grade investments;
- Global high yield investments;
- Eligible securitized investments;
- Bank loans; and
- Emerging markets.

The Sub-Fund 1 is actively managed which means that the Portfolio Manager may autonomously select the asset allocation and investments in order to achieve its investment objective.

### The investment strategy

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

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

### ***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 binding elements of the investment strategy used to attain the environmental and social characteristics promoted by the Sub-Fund 1 are as follows:

#### **Direct investments**

Characteristic 1: The direct investments in the Sub-Fund 1 are managed subject to the binding investment restriction against making investments in any company the business of which includes an Excluded Business (as defined above) as at the time of the decision to invest.

Characteristic 2: The direct investments in the Sub-Fund 1 are managed subject to the binding investment restriction against making certain investments in any in any company where a material negative ESG consideration is identified (based on internal criteria and evaluation) unless it is justified based on adequate mitigating factors (such as effective measures at the investee company to mitigate the material ESG consideration or where it will be removed by the investee company, for example through divestment or otherwise ceasing the activity).

No investment will be made by the Sub-Fund 1 without a recommendation from the Investment Team following the evaluation of material ESG considerations. The initial assessment of mitigating factors is made by the Investment Team and, if deemed to be adequate, the relevant investment may be presented to the Investment Board for approval. The Investment Board then has ultimate responsibility for assessing the adequacy of these

mitigating factors and approving the relevant investment if it deems the relevant mitigating factors to be adequate.

### **Indirect investments**

Characteristic 3: The indirect investments in the Sub-Fund 1 are managed subject to the binding investment restriction against making any investments in Loomis Sayles funds which do not adhere to the exclusion of investments in an Indirectly Excluded Business (as defined above), as adjusted, where relevant, for any revenue or exposure thresholds.

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

The Sub-Fund 1 does not have a committed minimum rate to reduce the scope of the investments.

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

### **Direct investments**

The Portfolio Manager identifies any issues in respect of governance matters during investment screening and diligence processes. In particular, the Portfolio Manager screens out investee companies involved in poor governance practices through the use of controversies screen, which relies on controversies analysis performed by an external provider. The controversies analysis uses a controversy scoring system which scores companies based on severity of controversies (with a score from 1 to 5, with 5 being the most severe) and a verification of alignment with international standards (including UN Global Compact Principles, International Labour Standards and OECD guidelines). Any controversies which result in a company receiving a controversy score of 4 or 5 (which will be the case, for example, where the company is in breach of the UN Global Compact Principles, International Labour Standards and/or OECD guidelines) will need to be cleared in order for the Portfolio Manager to make an investment in that company.

Post investment, the Portfolio Manager will conduct an annual review of controversies scores for portfolio companies, as well as undertake ad hoc controversies assessments in the case of a credit event. The Portfolio Manager will also engage with investee companies, for example through quarterly management calls, to encourage strong corporate governance, which includes but is not limited to key areas such as sound management structures, sound remuneration structures, robust employment relations and tax compliance. The Portfolio Manager seeks to ensure that recommendations for governance issues are addressed throughout the holding period.

## Indirect investment

Prior to investing in the Loomis Sayles funds, the Portfolio Manager undertakes an extensive due diligence assessment on Loomis, Sayles & Company, L.P.. This due diligence process includes operational due diligence as part of which the Portfolio Manager assesses good governance practices including (but not limited to) sound management structures, employee relations, remuneration of staff and tax compliance.

Furthermore, the Portfolio Manager checks the existence of policies related to anti-bribery, anti-money laundering, anti-corruption, conflicts of interests and code of ethics.

In addition, the Portfolio Manager checks whether Loomis, Sayles & Company, L.P. has been subject to a fine or warning by a supervisory authority and/or has experienced instances of whistleblowing over the past 5 years.


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

**#1 Aligned with E/S characteristics:** The Portfolio Manager intends to invest a minimum of 90% of the Sub-Fund 1's assets in investments which, in addition to seeking to attain the broader economic objectives and investment strategy of the Sub-Fund 1, are aligned with the E/S characteristics of the Sub-Fund 1 (the "**E/S Alignment Commitment**"). This E/S Alignment Commitment will be measured as a percentage calculated over the period of each financial year of the Sub-Fund 1, the numerator of which is the cost basis of the underlying E/S aligned investments of the Sub-Fund 1 and the denominator of which is the total cost basis of all of the underlying assets of the Sub-Fund 1 and cash held for ancillary liquidity (but excluding uninvested cash).

At the point of investment and on an annual basis, the Portfolio Manager will assess whether an investment is aligned with one or more of the environmental and/or social characteristics promoted by the Sub-Fund 1.

The E/S Alignment Commitment is subject to the following:

- As the Sub-Fund 1 will seek to invest opportunistically in illiquid assets, the Portfolio Manager considers that it is appropriate to measure the E/S Alignment Commitment by reference to total cost basis and calculated over the period of the financial year of the Sub-Fund 1. In addition, given the Sub-Fund 1 will seek to invest opportunistically in illiquid assets, there may be periods during the financial year and during the lifecycle of the Sub-Fund 1 (including its initial investment period, and divestment period) where the proportion of the Sub-Fund 1's underlying portfolio invested in E/S Aligned Investments is less than 90%.



**Asset allocation** describes the share of investments in specific assets.

- In the event that the minimum commitment is not achieved because of market or currency fluctuations, no remedial action will be required.

Any reference in this Annex to the E/S Alignment Commitment and/or to the percentage amount of that commitment must be read subject to the exceptions in the above bullet points.

**#1A Sustainable:** The Portfolio Manager does not commit to make “sustainable investments”, as defined under SFDR.

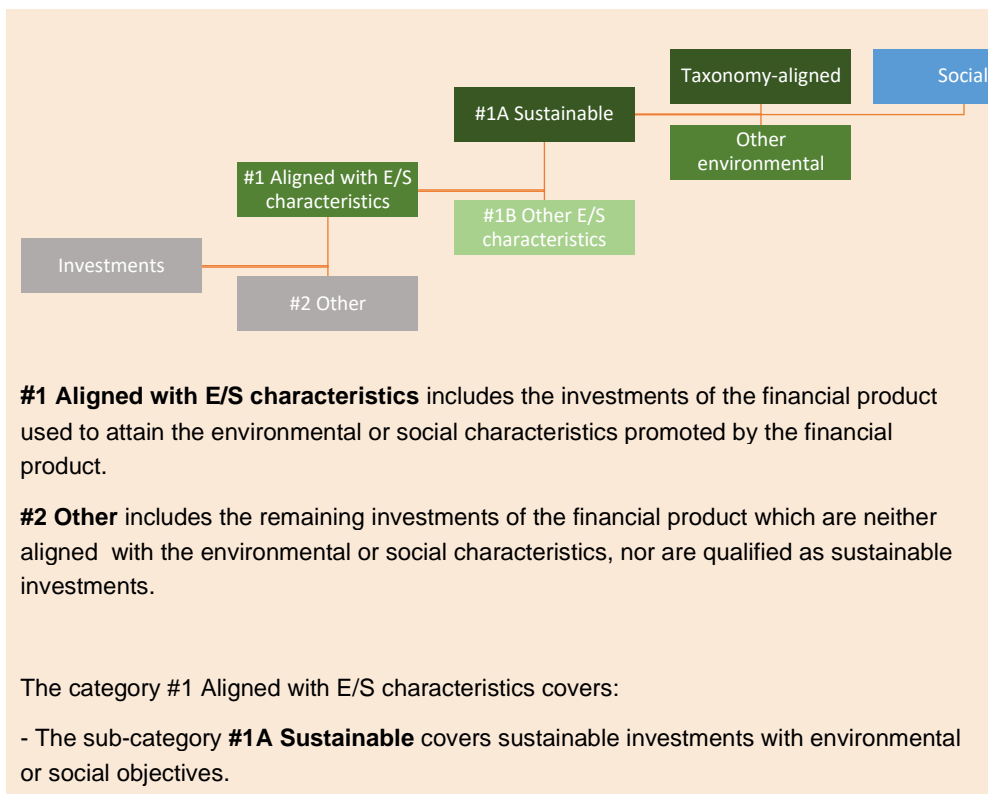
**#1B Other E/S characteristics:** All of the category #1 investments will be aligned with the environmental or social characteristics promoted by the Sub-Fund 1.

**#2 Other:** Within the sub-category “#2 Other”, the Sub-Fund 1’s assets may be made up of derivatives (for efficient portfolio management and hedging) and cash held for ancillary liquidity.

Uninvested cash is not included within the sub-category “#2 Other”, where uninvested cash means cash which is not held on an ongoing basis for ancillary liquidity, but which is held temporarily by the Sub-Fund 1 before or after investments.

Taxonomy-aligned activities are expressed as a share of:

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



- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Portfolio Manager will not generally use derivatives to attain the environmental or social characteristics of the Sub-Fund 1.



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

The Portfolio Manager, on behalf of the Sub-Fund 1, does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy. As such, the Portfolio Manager discloses for the purposes of the SFDR and the EU Taxonomy that the Sub-Fund 1 has no minimum alignment with the EU Taxonomy.

The Portfolio Manager does not currently use the EU Taxonomy as a mandatory part of its investment process, and so wishes to retain the flexibility to invest in investments which are suitable for the Sub-Fund 1, without being tied to a minimum commitment to make Taxonomy-aligned investments. The Portfolio Manager considers that this approach is consistent with its duty to act in the best interests of investors in the Sub-Fund 1.

While the Portfolio Manager, on behalf of the Sub-Fund 1, does not commit to make investments which are aligned to any minimum extent with the EU Taxonomy, it may nevertheless make sustainable investments aligned with the EU Taxonomy.

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

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

### Does the financial product invest in fossil gas and/or nuclear energy relates activities that comply with the EU Taxonomy?

Yes:

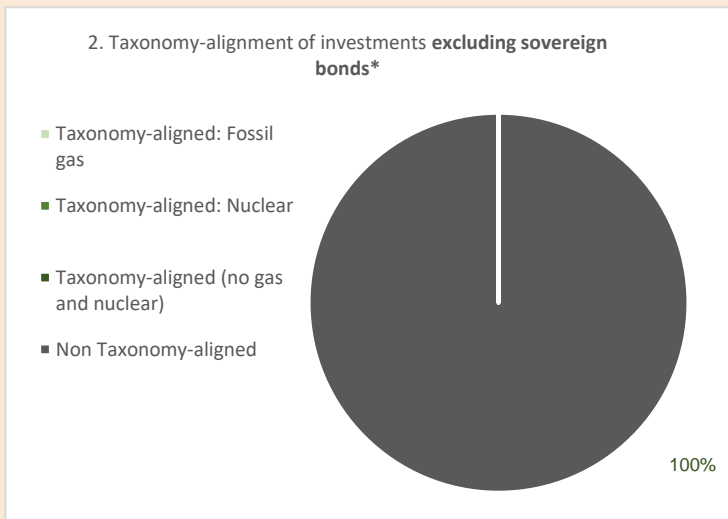
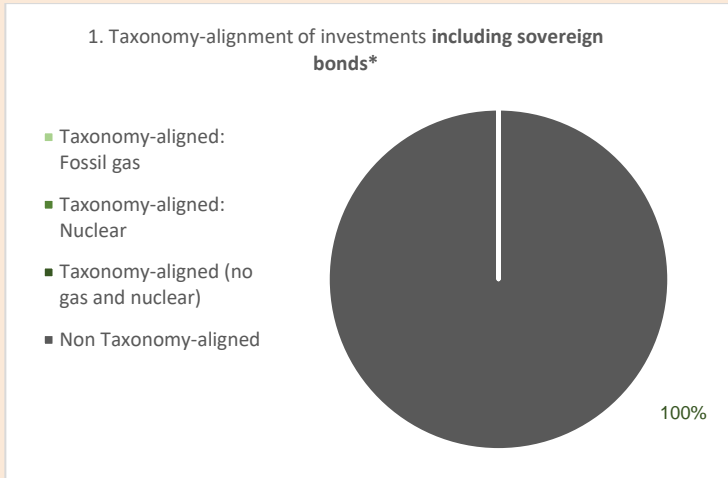
In fossil gas

In nuclear energy

No

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

**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.



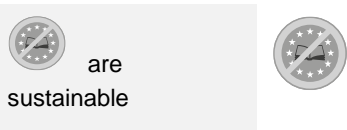
This graph represents 100% of total investments.

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

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

Not applicable as the Portfolio Manager, on behalf of the Sub-Fund 1, does not commit to make investments which are aligned with the EU Taxonomy.

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



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



Not applicable as the Portfolio Manager, on behalf of the Sub-Fund 1, does not commit to make sustainable investments within the meaning of Article 2(17) of the SFDR.

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

Not applicable as the Portfolio Manager, on behalf of the Sub-Fund 1, does not commit to make sustainable investments within the meaning of Article 2(17) of the SFDR.



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

Within the sub-category “#2 Other”, the Sub-Fund 1’s assets may be made up of derivatives (for efficient portfolio management and hedging) and cash held for ancillary liquidity.

Uninvested cash is not included within the sub-category “#2 Other”, where uninvested cash means cash which is not held on an ongoing basis for ancillary liquidity, but which is held temporarily by the Sub-Fund 1 before or after investments.



### **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?**

No.

### ***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?***

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

Not applicable.

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

More product-specific information can be found on the website:

<https://mvcredit.atominvest.co/>

