

**Supplement dated 1 July 2023  
to the Prospectus for Osmosis UCITS CCF**

**OSMOSIS RESOURCE EFFICIENT CORE EQUITY (EX-FOSSIL FUELS) FUND**

This Supplement contains information relating specifically to the Osmosis Resource Efficient Core Equity (ex-fossil fuels) Fund (the “**Sub-Fund**”), a sub-fund of Osmosis UCITS CCF (the “**Fund**”), an open-ended umbrella common contractual fund with segregated liability between sub-funds authorised and regulated by the Central Bank of Ireland as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in conjunction with the Prospectus including the general description of**

- **the Fund and its management and administration**
- **its investment and borrowing powers and restrictions**
- **its general management and fund charges and**
- **its risk factors**

**which are contained in the Prospectus for the Manager dated 21 December 2020 and any addenda issued thereto in accordance with the requirements of the UCITS Regulations (the “Prospectus”) and is available from the Manager at 35 Merrion Square, Dublin 2, Ireland. To the extent that there is any inconsistency between the Prospectus and this Supplement, the Supplement shall prevail.**

The Directors of the Manager accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “**Risk Factors**” in the Prospectus and in this Supplement before investing in the Sub-Fund.

**The Fund promotes environmental characteristics and as such is a financial product referred to in Article 8 of Regulation (EU) 2019/2088. Information about the environmental characteristics that the Fund promotes is available in Annex I hereto.**

**1. Interpretation**

The expressions below shall have the following meanings:

“**Benchmark**” means the MSCI World Developed Index or such other appropriate benchmark as may be disclosed to investors in the Fund’s periodic reports.

“**Business Day**” means any day (except Saturday or Sunday) on which banks in Ireland and England are generally open for business or such other day or days as may be determined by the Manager and notified in advance to Unitholders.

“**Dealing Day**” means each Valuation Day unless otherwise determined by the Manager and notified to Unitholders in advance, provided that there shall be at least two Dealing Days in each calendar month occurring at regular intervals. See also the section entitled

**“Suspension of Valuation of Assets”** in the Prospectus.

**“Dealing Deadline”**

means for each Dealing Day

- (i) in relation to subscription requests, 10.00am (Irish time) on the Business Day immediately prior to the Dealing Day; and
- (ii) in relation to redemption requests, 10.00am (Irish time) on the Business Day immediately prior to the Dealing Day; or
- (iii) such other time as the Manager may determine and notify to Unitholders in advance provided always that the Dealing Deadline is no later than the Valuation Point on that Dealing Day.

**“GHG Equivalent Emissions”**

means a number which represents all Greenhouse gases (Methane, Carbon dioxide, CFC-12, HCFC-22, Tetrafluoromethane, Hexafluoromethane, Sulphur Hexafluoride, Nitrogen trifluoride) in metric tonnes as the equivalent tonnes of CO<sub>2</sub>. This is based on their global warming potential (GWP). The GWP of a gas is the global warming caused over a 100-year period by the emission of one ton of the gas relative to the warming caused over the same period by the emission of one ton of CO<sub>2</sub>. The GHG Equivalent Emissions is prepared and generated by the Investment Manager or by unrelated third parties acting on behalf of the Investment Manager.

**“MSCI World Developed Index”**

means the MSCI World Index, which is a stock market index of currently 1,643 world stocks maintained by MSCI Inc., which is a broad global equity benchmark that represents large and mid-cap equity performance across developed markets in the world. The index currently includes securities from 23 developed countries (and excludes stocks from emerging and frontier economies).

**“Osmosis Model of Resource Efficiency (the MoRE Model)”**

means a proprietary model (sometimes referred to as “**the MoRE Model**”) developed by the research team at the Investment Manager. It is a model which calculates and compares companies based on their Resource Efficiency Factor Score.

**“Redemption Settlement Cut-Off”**

means five Business Days after the relevant Dealing Day and in any event will be paid within ten Business Days of the Dealing Deadline for the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

**“Resource Efficiency Factor Score”**

the Resource Efficiency Factor Score is calculated by the Osmosis Model of Resource Efficiency (the “**MoRE Model**”). This is a company specific score which is defined as the weighted sum of a company’s fossil-fuel based energy per unit of revenue, purchased water per unit of revenue and the amount

of landfill, incinerated and recycled waste per unit of revenue. The Resource Efficiency Factor Scores are re-calculated in respect of each company upon publication of its annual financial statements (including its environmental report) and the portfolio will be adjusted quarterly to reflect these changes.

**“Selection Pool”**

means the universe of the top 3,000 public companies (weighted by market capital) from the developed markets at any time which disclose on the three core metrics of energy, water and waste. As at the date of this Supplement, the developed markets comprise the following 23 markets: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

**“Subscription Settlement Cut-off”**

means three Business Days after the relevant Dealing Day.

**“Sustainability Factors”**

means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**“Sustainability Risk”**

means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

**“Sustainable Finance Disclosures Regulation” or “SFDR”**

means 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.

**“Taxonomy Regulation”**

means 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.

**“Valuation Day”**

means each Business Day and/or such other day or days as may be determined by the Directors and notified to Unitholder in advance.

**“Valuation Point”**

means close of business in the relevant market on each Dealing Day, being the time at which the last traded price on relevant stock exchanges or markets are used for the purpose of the valuation of assets and liabilities of the Sub-Fund (or such other time as the Directors may in their discretion determine and notify to Unitholders in advance); provided always that the Valuation Point shall be after the Dealing Deadline.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

**2. Base Currency**

The Base Currency shall be USD.

**3. Information on Unit Classes**

The Sub-Fund offers the following Classes of Units:

<b>Class of Units</b>	<b>Currency</b>
Class A	USD
Class A	EUR
Class A	GBP
Class B	USD
Class B	EUR
Class B	GBP
Class C	USD
Class C	EUR
Class C	GBP
Class D (Hedged)	EUR
Class D (Hedged)	GBP
Class D (Hedged)	CHF
Class D (Hedged)	SEK
Class D (Hedged)	NOK
Class D (Hedged)	DKK

Units shall be issued to investors as Units of a Class in this Sub-Fund. The Directors may from time to time, create more than one Class of Units in this Sub-Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Units, without limitation, as to currency of denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, return of capital, fees and expenses or the Minimum Initial Subscription, Minimum Holding or Minimum Transaction Size applicable.

The Manager may in its absolute discretion decide to close any Class and to refuse entry to any specific Class (in which case an investor will be offered access to another Class subject to such Class' prevailing terms and conditions).

#### *Share class level hedging*

The Class D (Hedged) Units will seek to hedge against movements in exchange rates between the currency of the Class D (Hedged) Units and the Base Currency. Hedging will be carried out in accordance with the requirements of the Central Bank as set out in the 'Hedged Classes' section of the Prospectus.

#### **4. Profile of a Typical Investor**

Investors in the Sub-Fund are expected to be an informed investor seeking capital appreciation through broad based global equity exposure, and who is willing to accept a medium degree of volatility and a medium to long term investment horizon.

#### **5. Investment Objective and Policy**

The investment objective of the Sub-Fund is to provide investors with capital appreciation over the medium to long term and to out perform the Benchmark.

The Sub-Fund will aim to achieve its objective through active exposures to equity securities of resource efficient public companies. Resource efficient public companies are those companies which use less fossil-fuel based energy per unit of revenue than their sector peers, use less water

per unit of revenue than their sector peers and create less landfill, incinerated and recycled waste per unit of revenue than their sector peers (as determined by the MoRE Model).

The Sub-Fund will typically invest, subject to the investment restrictions set out in Appendix 1 to the Prospectus, between 90% and 100% of its NAV in company shares and will hold a broad spread of equity investments from a broad range of economic sectors worldwide excluding those directly involved within the fossil fuels industry.

In relation to investment in equity securities, typically 90% of the Net Asset Value of the Sub-Fund will be listed or traded on a Recognised Exchange, as set out in Appendix II to the Prospectus.

The Sub-Fund may also invest up to 10% of its NAV in cash equivalents (such as money market funds (notably collective investment schemes) and money market instruments, including, but not limited to, certificates of deposit, fixed or floating rate notes and fixed or variable rate commercial paper (which are considered investment grade or above as rated by the principal rating agencies)) issued by governments and/or corporations and in cash deposits denominated in such currency or currencies as the Investment Manager may determine.

For cash management purposes, the Sub-Fund may invest up to 10% of its NAV in aggregate in collective investment schemes, including open-ended exchange traded funds (“**ETF**”). For the avoidance of doubt, open-ended ETF (both UCITS and alternative investment funds) are considered collective investment schemes for the purposes of this restriction. Collective investment schemes must meet the criteria set out in the Central Bank’s Guidance on “UCITS Acceptable investments in other Investment Funds”. The Sub-Fund will not invest in other sub-funds of the Fund.

The investment universe looks at the world’s largest public companies in developed global markets and the Resource Efficiency Factor Score is generated through the Osmosis Model of Resource Efficiency (the “**MoRE Model**”) which calculates scores on a systematic basis using a proprietary resource efficiency valuation metric derived from observed amounts of energy consumed, water use, and waste created relative to revenue generated for each company in the global large cap universe. The Resource Efficiency Factor Score is entered into an optimization program as an “alpha score” and third party risk models are used as the risk function. The optimizer is programmed to maximize the Resource Efficiency Factor score whilst controlling to the constraints set within the third party risk models (an optimiser in this context is a financial tool used by the Investment Manager to generate investment portfolios subject to multiple risk constraints such as turnover and industry and country exposure). The third party risk models used are multi-factor risk models and are used to generate a portfolio with a similar risk profile to that of the Benchmark. Typical examples of the common factors controlled for are industry, country and style (growth, value, momentum, etc.). Such risk models do not provide discretionary investment management authority to third parties in respect of the assets of the Sub-Fund.

The MoRE Model will analyse the disclosing universe of public companies in the Selection Pool (i.e. those constituents of the Selection Pool that disclose sufficiently on their energy consumption, waste creation and water consumption, in the public domain through their annual reports and sustainability reports; this data is checked for completeness and accuracy and then entered into the Model of Resource Efficiency database making it part of the disclosing universe of stocks). This data is checked by the specialist research team at the Investment Manager for completeness and accuracy and then entered into the Model of Resource Efficiency database making it part of the disclosing universe of stocks. The specialist research team at the Investment Manager assesses, corrects, normalises and collates resource efficiency data from large corporates as its core function. Data runs through a statistical check on both absolute quantities and intensities. Significant data variations and anomalies with respect to previous years are automatically selected for manual analysis: annual and semi-annual sustainability reports are then researched to validate

or correct the original source information.

Only companies which disclose on GHG Equivalent Emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of greenhouse gas emissions, water use, and waste generated which are used to quantify a company's resource efficiency. The Sub-Fund's investment portfolio is deliberately biased towards companies with higher scores thereby increasing the portfolio weights towards greater resource efficiency.

The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). When new data is released for a company, then the Resource Efficiency Factor Score will change for that company. A company that either does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero factor score. The Sub-Fund's portfolio is rebalanced quarterly to take into account both the Resource Efficiency Factor Score and ex-ante active risk constraint, (which is a forward looking, forecasted active risk sensitivity which shows the potential divergence of a portfolio from its stated Benchmark).

This Sub-Fund applies some fossil fuel exclusions in accordance with the Investment Manager's fossil fuel exclusionary policy. These exclusions currently apply to companies that the Investment Manager deems to have material involvement in thermal coal, oil sands, fossil fuel reserves, oil & gas equipment and services and oil & gas extraction and production. In addition to the foregoing, the Investment Manager seeks to apply wider principle based exclusions on companies with material involvement (as considered by the Investment Manager) in:

- Environmental, Social and Governance ("**ESG**") controversies (failure to comply with UNGC principles);
- Controversial weapons – cluster munitions, landmines, bio-chemical weapons;
- Nuclear weapons;
- Civilian firearms; and
- Tobacco.

The Investment Manager has established an ESG Advisory Council who are responsible for keeping ESG criteria under review to assess the applicability and/or relevance of exclusions in the context of the developing economy and how companies are approaching their transition towards zero carbon production. The ESG Advisory Council will include employees of the Investment Manager as well as external parties who have expertise in and working knowledge of Environmental, Social and Governance principles. Appointments will be made by invite only and the ESG Advisory Council will be run and controlled by the Investment Manager. The ESG Advisory Council will not have any power to dictate the decisions of the Investment Manager, who will at all times retain full discretion over the assets of the Sub-Fund, however the Investment Manager will review the opinions, as expressed by the Council.

Investments are selected using the Investment Manager's proprietary resource efficiency metrics, upon which the MoRE Model is based. In addition the Investment Manager applies a discretionary exclusionary policy for the Sub-Fund that accords with the Sub-Fund's investment philosophy; these exclusions and the Investment Manager's policies underpinning them will evolve as the wider ESG landscape evolves. In the event that any material changes to the above exclusions are proposed then, subject to the approval of the Central Bank, this Supplement will be updated appropriately. The ESG Advisory Council provides external views to assist in the development of the Investment Manager's ESG policies.

This Sub-Fund is actively managed in reference to the Benchmark by virtue of the fact that the investment objective of the Sub-Fund is to outperform the Benchmark. The Investment Manager has discretion to invest in securities not included in the Benchmark at any time in order to take advantage of investment opportunities. The investment strategy will restrict the extent to which the Sub-Fund's holdings may deviate from the Benchmark. This deviation may be material.

## **6. Financial Derivative Instruments**

The Sub-Fund may also use derivatives for investment and efficient portfolio management purposes including for hedging purposes. The only techniques and instruments which may be used by the Sub-Fund are exchange traded futures.

For example, the Sub-Fund may sell futures on equities or currencies to manage risks by "locking in" gains and/or protecting against future declines in value of the Sub-Fund's investments. Futures are contracts in standardised form between two parties entered into on an exchange, whereby one party agrees to sell to the other party an asset at a price fixed at the date of the contract, but with delivery and payment to be made at a point in the future. The Sub-Fund may buy futures on equities or currencies to take a position in securities to achieve the investment objective of the Sub-Fund where the Investment Manager believes that these securities are undervalued and will enhance the Sub-Fund returns or where the Investment Manager seeks to ensure that its cash receivables are invested in the markets to avoid a cash drag on the returns of the Sub-Fund.

The Sub-Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Sub-Fund and will be measured using the commitment approach.

The use of derivatives entails certain risks to the Sub-Fund including those set out under "Risk Factors" in the Prospectus sub-paragraphs "*Derivatives and Techniques and Instruments Risk*", "*Substantial Risks are Involved in Trading Financial Derivative Instruments*" and "*OTC Markets Risk and Derivatives Counterparty Risk*".

## **7. Risk Management Process**

The Manager employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative instruments. Details of the derivatives which may be used are set out in the derivatives risk management process filed with the Central Bank. The Manager or its delegate will, on request, provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the Sub-Fund. Any types of derivative not included in the risk management process will not be used until such time as a revised submission has been provided to the Central Bank. Any exposure created by the use of derivatives will not exceed the Net Asset Value of the Sub-Fund.

## **8. Leverage, Investment and Borrowing Restrictions**

### Leverage

The Sub-Fund will not be leveraged in excess of 100% of NAV through the use of FDI.

### Investment and Borrowing Restrictions

The investment and borrowing restrictions for the Sub-Fund are set out in Appendix 1 to the Prospectus.

Borrowing will not be utilised for the purposes of gearing. Borrowings on behalf of the Sub-Fund may only be made on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Sub-Fund. The Sub-Fund may borrow to meet redemption requests. The remaining borrowing restrictions for the Sub-Fund are set out in the main body of the Prospectus.

## 9. Offer

### Initial Offer Period

The Initial Offer Period has closed for the Class A Units.

All other Classes of Units will be available from 9 a.m. on 3 July 2023 to 5 p.m. on 3 January 2024 at the initial issue price of US\$ 10.00, GBP£ 10.00, EUR 10.00, SEK 10.00, NOK 10.00, DKK 10.00 and CHF 10.00 (the “**Initial Price**”) respectively, and subject to acceptance of applications for Units by the Manager, will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period.

The Initial Offer Period may be extended or shortened by the Directors at their discretion and in accordance with the requirements of the Central Bank.

### Subsequent Offer

After closing of the Initial Offer Period for a Class, all further Units of the Class will be issued at their Net Asset Value per Unit.

After closing of the Initial Offer Period Units in the Sub-Fund will be issued at the Net Asset Value per Unit (plus any applicable duties or charges). Please see the section entitled “**Application for Units**” for more information regarding the cost of shares.

### Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size

The Directors are entitled to impose Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size requirements in respect of each Class of Units. To date the Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size requirements in respect of each Class of Units is as follows:

<b>Class of Units</b>	<b>Minimum Subscription*<sup>^</sup></b>	<b>Initial</b>	<b>Minimum Holding*<sup>^</sup></b>	<b>Minimum Transaction Size*<sup>^+</sup></b>
Class A	US\$250 million		US\$ 200 million	US\$ 1 million
Class B	US\$ 100 million		US\$ 8 million	US\$ 1 million
Class C (non-treaty benefit class)	US\$ 500,000		US\$ 250,000	US\$ 100,000
Class D	US\$ 10 million		US\$ 8 million	US\$ 1 million



(Hedged)			
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\* or such lesser amount as the Directors may permit particularly in the context of fluctuations of the Net Asset Value of the Sub-Fund.

^ or the relevant currency equivalent.

+ applicable to additional subscriptions requests only. There is no Minimum Transaction Size requirement with respect to redemptions or conversion requests.

The Directors have the right in their discretion, with respect to any investor, to waive or reduce the Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size requirements outlined in the table above (if any) at any time. The Directors have delegated the right to the Investment Manager to waive the Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size outlined in the table above (if any) at any time in its sole discretion, provided that Unitholders in the same Class shall be treated equally and fairly.

## 10. Applications for Units

Applications for Units may be made through the Administrator through the process described in the Prospectus under the heading “**Application for Units**”.

## 11. Redemption of Units

Requests for redemption of Units may be made through the Administrator through the process described in the Prospectus under the heading “**Redemption of Units**”.

## 12. Conversion of Units

The Manager may, at its discretion convert Units from one Class to another Class in the Sub-Fund in certain circumstances, including where an investor’s withholding rate or tax reclaim rate diverges from the other investors in that Class. Conversion of Units from one Class in the Sub-Fund to another Class in the Sub-Fund is permitted at the absolute discretion of the Manager. Conversion of Units from one Class in the Sub-Fund to another Class in another Sub-Fund of the Fund is not permitted.

## 13. Fees and Expenses

The Sub-Fund shall bear its attributable portion of the fees and operating expenses of the Fund. The fees and operating expenses of the Fund and the Sub-Fund are set out in detail under the heading “**Fees and Expenses**” in the Prospectus and below.

### **Management Fee**

The Manager shall be entitled to receive out of the assets of the Sub-Fund (i) a monthly fee, exclusive of VAT (if applicable) of USD 5,000, which is accrued daily and payable monthly (the “**Fixed Component**”) plus (ii) an annual management fee as detailed in the table below, accrued and calculated at each Valuation Point (the “**Variable Component**”).

<b>Net Asset Value</b>	<b>Annual Management Fee Rate</b>
<i>From USD 0 to USD 250 million*</i>	<i>0.020%</i>
<i>From and above USD 250 million</i>	<i>0.015%</i>

The Manager is entitled to increase its fees per annum up to a maximum of 2.00% of the Net Asset

Value attributable to each Class. Unitholders will be notified in writing in advance of any proposed increase of such fees up to such maximum.

The Manager shall be further entitled to be repaid out of the assets of the Fund all of its reasonable and properly vouched out-of-pocket expenses, plus VAT, if any, thereon, incurred by it in respect of the Fund in the performance of its duties and responsibilities.

The Manager may rebate all or part of its Management Fees to any Unitholder, it being acknowledged that such rebate, if any, may differ between Unitholders and that the Manager will have ultimate discretion in this matter. A non-exhaustive list of criteria for the consideration of such rebates may be initial offer period subscriptions, size of investment and prior relationship with the Unitholder.

### **Investment Manager's Fees**

The Investment Manager shall be entitled to receive out of the assets of the Sub-Fund the following annual fee, together with any VAT, if applicable, in respect to each Class. The fee payable to the Investment Manager will be calculated and accrued daily based on the daily Net Asset Value of the relevant Class and will be paid monthly in arrears.

<b>Class</b>	<b>Investment Management Fee</b>
Class A	0.125% of the Net Asset Value attributable to Class A Units
Class B	0.125% of the Net Asset Value attributable to Class B Units
Class C	0.30% of the Net Asset Value attributable to Class C Units
Class D (Hedged)	0.25% of the Net Asset Value attributable to Class D Units

The Investment Manager is entitled to increase its fees per annum up to a maximum of 2.00% of the Net Asset Value attributable to each Class. Unitholders will be notified in writing in advance of any proposed increase of such fees up to such maximum.

The Investment Manager may rebate all or part of its investment management fees to any Unitholder, it being acknowledged that such rebate, if any, may differ between Unitholders and that the Investment Manager will have ultimate discretion in this matter. A non-exhaustive list of criteria for the consideration of such rebates may be initial offer period subscriptions, size of investment and prior relationship with the Unitholder.

### **Administrator's Fees**

The Administrator shall be entitled to receive out of the assets of the Sub-Fund, an annual fee which (plus VAT, if any) as detailed in the table below, accrued and calculated at each Valuation Point and payable monthly in arrears, subject to a minimum annual fee of EUR 60,000.

<b>NAV of the Sub-Fund</b>	<b>Administration Fee per Annum</b>
From EUR 0 to EUR 250 million	0.04%
From EUR 250 million to EUR 500 million	0.03%
In excess of EUR 500 million	0.02%

The Administrator shall also be compensated out of the assets of the Sub-Fund for other services, including inter alia transfer agency services, account maintenance, share currency hedging facilities, preparation of financial statements of the Fund, registration and transaction fees, each of which shall be at normal commercial rates together with VAT, if any, thereon.

The Administrator shall also be entitled to reimbursement of all reasonable and vouched out-of-pocket expenses (plus any applicable taxes) it incurs out of the assets of the Sub-Fund.

### **Depository Fees**

The Depository shall be entitled to receive out of the assets of the Sub-Fund, an annual fee (plus VAT, if any) as detailed in the table below, accrued and calculated on each Valuation Point and payable monthly in arrears.

<b>NAV of the Sub-Fund</b>	<b>Depository Fee per Annum</b>
From EUR 0 to EUR 250 million	0.015%
From and above EUR 250 million	0.01%
Minimum Fee	EUR 40,000

The Depository shall also be entitled to be repaid out of the assets of the Sub-Fund for all of its reasonable disbursements incurred on behalf of the Sub-Fund, including the safe-keeping fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depository or any sub-custodian and any applicable taxes it incurs on behalf of the Sub-Fund. Such custody fees shall accrue and be payable monthly in arrears.

### **Subscription Fee**

It is not currently intended that a subscription fee in respect of any Class will be imposed. However, Unitholders may be subject to a subscription fee not exceeding 5% of the Subscription Price of Units being acquired. Unitholders will be notified in advance, as appropriate, in the event that such fees will be charged in the future.

Where imposed, this subscription fee shall be paid to the Investment Manager for payment of distribution fees and expenses or to otherwise use at the Investment Manager's discretion.

The Investment Manager may rebate all or part of its subscription fee to any Unitholder, it being acknowledged that such rebate, if any, may differ between Unitholders and that the Investment Manager will have ultimate discretion in this matter. A non-exhaustive list of criteria for the consideration of such rebates may be initial offer period subscriptions, size of investment and prior relationship with the Unitholder.

### **Redemption Fee**

It is not currently intended that a Redemption Fee in respect of any Class will be imposed. However, Unitholders may be subject to a Redemption Fee not exceeding 3% of the Redemption Price of Units being redeemed. Unitholders will be notified in advance, as appropriate, in the event that such fees will be charged in the future.

### **Conversion Charge**

Unitholders may be subject to a conversion fee on the conversion of Units in any Class of the Sub-Fund to Units in another Sub-Fund or Class up to a maximum of 3% of the Subscription Price in the new Sub-Fund or Class. However, it is not currently intended that a conversion fee in respect of any Class will be imposed. Unitholders will be notified in advance, as appropriate, in the event that such conversion fees will be charged in the future.

### **Anti-Dilution Levy**

An Anti-Dilution Levy may be charged at the discretion of the Manager as outlined in the Prospectus in the section entitled “**Anti-Dilution Levy**”.

**14. Gross Income Policy**

Unitholders may elect in the Application Form to have their pro rata portion of Gross Income Payments reinvested in the Sub-Fund or to receive Gross Income Payments instead. Gross Income Payments will be made at the discretion of the Manager (following consultation with the Investment Manager) provided that Gross Income Payments will be made to all Unitholders (either through reinvestment or through actual payment) on at least a yearly basis, although no payment may be declared or paid within four months of 30 June each year (the “**Gross Income Date**”), in accordance with the Gross Income Payment section of the Prospectus.

**15. Suspension of Dealing**

Units may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Sub-Fund is suspended in the manner described in the Prospectus under the heading “**Suspension of Valuation of Assets**”. Applicants for Units and Unitholders requesting redemption and/or conversion of Units will be notified of such suspension and, unless withdrawn, applications for Units will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

**16. Risk Factors**

The attention of investors is drawn to the “**Risk Factors**” section in the Section of the Prospectus entitled “**The Fund**”.

**17. Sustainable Finance Disclosures**

*Integration of Sustainability Risks into investment decisions*

Sustainability Risks and opportunities are at the core of the Sub-Fund’s strategy. As stated above, the Investment Manager uses its MoRE Model to attribute Resource Efficiency Factor Scores to each company within the Sub-Fund’s investment universe. This allows the Investment Manager to select resource efficient public companies for investment. By gaining exposure to such resource efficient public companies, the Investment Manager seeks to reduce Sustainability Risks to the Sub-Fund.

The Investment Manager’s investment thesis is that companies that derive greater economic value relative to their natural resource consumption will be rewarded by the market over the long-term. It believes the Resource Efficiency Factor Scores allow it to identify target companies who have best adapted their businesses to future Sustainability Risks and which will financially thrive relative to their same sector peers. The results of the assessment of the likely impact of Sustainability Risks on the returns of the Fund indicate that the impact on returns will be low.

**Information about the environmental characteristics that the Fund promotes is available in Annex I hereto.**

# Osmosis UCITS CCF

## Osmosis Resource Efficient Core Equity (ex-fossil fuels) Fund (the “Sub-Fund”)

(a sub-fund of Osmosis UCITS CCF (the “Fund”), an open-ended umbrella common contractual fund with segregated liability between sub-funds authorised and regulated by the Central Bank of Ireland as a UCITS pursuant to the UCITS Regulations)

### ANNEX I TO THE SUPPLEMENT

This Annex I dated 1 July 2023 should be read in conjunction with, and forms part of, the Supplement for the Sub-Fund dated 1 July 2023. All capitalised terms herein contained shall have the same meaning in this Annex I as in the Supplement unless otherwise indicated.

The Directors of the Manager accept responsibility for the information contained in the Prospectus and this Supplement and Annex I. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Product name:** Osmosis Resource Efficient Core Equity (ex-fossil fuels) Fund

**Legal entity identifier:** 635400UXAOKLDOAYNV77

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

In economic activities that qualify as environmentally sustainable under the EU Taxonomy

In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

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

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

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

with a social objective

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

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

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



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

The Sub-Fund promotes the following environmental characteristics:

- Carbon emission reduction
- Water consumption reduction
- Waste creation reduction

No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the financial product.

The Sub-Fund does not promote any social characteristics.

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

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are as follows:

- Carbon (in tCO<sub>2</sub>e) / revenue (in million dollars) for carbon emission reduction;
- Water usage (in m<sup>3</sup>) / revenue (in million dollars) for water consumption reduction; and
- Waste generated (in metric tonne) / revenue (in million dollars) for waste generation reduction.

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

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.*

**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, anticorruption and antibribery matters.

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

Yes, the Investment Manager's evidence-based approach looks at objective and verifiable measures of sustainability, through the stripping out of subjective data such as environmental targets or policies, measuring sustainable action over intent. The Sub-Fund's principal adverse impacts (PAI) metrics are carbon emissions (in metric tonnes), water usage (in cubic metres) and waste generation (in metric tonnes). These correspond to the metrics used by the MoRE Model to score companies and choose which ones the Investment Manager chooses to invest in. This process depends on the MoRE Model to arrive at a Resource Efficiency Factor Score for each company.

No

Information on the PAIs on sustainability factors will be available in the sustainability related disclosures annex to the annual reports of the Sub-Fund.

## What investment strategy does this financial product follow?

The Investment Manager utilises its MoRE Model to arrive at a Resource Efficiency Factor Score for each company. The Resource Efficiency Factor Score is used to select companies

in order to build a portfolio of those companies which have improved sustainability characteristics focused on carbon emission, water consumption and waste creation and which target an excess performance derived from the tilts to such sustainability factors. Companies who derive their revenue from oil and gas activities (>5%) are also excluded. Thereby, the Investment Manager, through its MoRE Model, maximises the Sub-Fund's sustainability exposure within the risk tolerance of investors, notwithstanding the broad nature of the Benchmark. In this way, the Sub-Fund seeks to achieve its sustainability objectives.

In tandem, the Investment Manager also has ethical exclusions such that companies that are in breach of the UN Global Compact principles (the "**UNGC Principles**") are automatically excluded from any investment, in addition to companies in the tobacco sector. In the context of the UNGC Principles, the Investment Manager relies upon its own proprietary approach to the environmental principles. Whilst there is much debate with regards to the fossil fuel divestment vs transition, mandates which include fossil fuels naturally target the most efficient within the sector.

The Investment Manager has established an ESG Advisory Council who is responsible for keeping ESG criteria under review to assess the applicability and/or relevance of exclusions in the context of the developing economy and how companies are approaching their transition towards zero carbon production. The ESG Advisory Council includes employees of the Investment Manager as well as external parties who have expertise in and working knowledge of Environmental, Social and Governance principles.

The investment universe of the Sub-Fund comprises the world's largest public companies in developed global markets. The Resource Efficiency Factor Score is generated through the Investment Manager's MoRE Model which calculates scores on a systematic basis using a proprietary resource efficiency valuation metric derived from observed amounts of energy consumed, water use, and waste created relative to revenue generated for each company in the global large cap universe. The Resource Efficiency Factor Score is used to maximise the Sub-Fund's exposure to resource efficient public companies. The Sub-Fund maximises its exposure to resource efficient public companies which have significant reduction in its environmental footprint across carbon emissions, water consumption and waste creation. The level of environmental footprint reduction is linked to the risk tolerance of the Sub-Fund.

The MoRE Model will analyse the disclosing universe of public companies contained within the Benchmark that disclose sufficiently on their GHG Equivalent Emissions, waste creation and water consumption, in the public domain through their annual reports and sustainability reports; this data is checked for completeness and accuracy and then entered into the MoRE Model database making it part of the disclosing universe of stocks). The specialist research team at the Investment Manager assesses, corrects, normalises and collates resource efficiency data from large corporates as its core function. Data runs through a statistical check on both absolute quantities and intensities. Significant data variations and anomalies with respect to previous years are automatically selected for manual analysis: annual and semi-annual sustainability reports are then researched to validate or correct the original source information.

Only companies which disclose on GHG Equivalent Emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of greenhouse gas emissions, water use, and waste generated which are used to quantify a company's resource efficiency. The Sub-Fund's investment portfolio is deliberately biased towards companies with higher scores thereby increasing the portfolio weights towards public companies exhibiting greater resource efficiency.

The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). When new data is released for a company, then the Resource Efficiency Factor Score will change for that company. A company that either does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero-factor score.

**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.



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

Taxonomy-aligned activities are expressed as a share of:

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Investments to attain the environmental characteristics need to be made using the process outlined above, incorporating MoRE and its multi-factor score ranking.

The specific binding elements are:

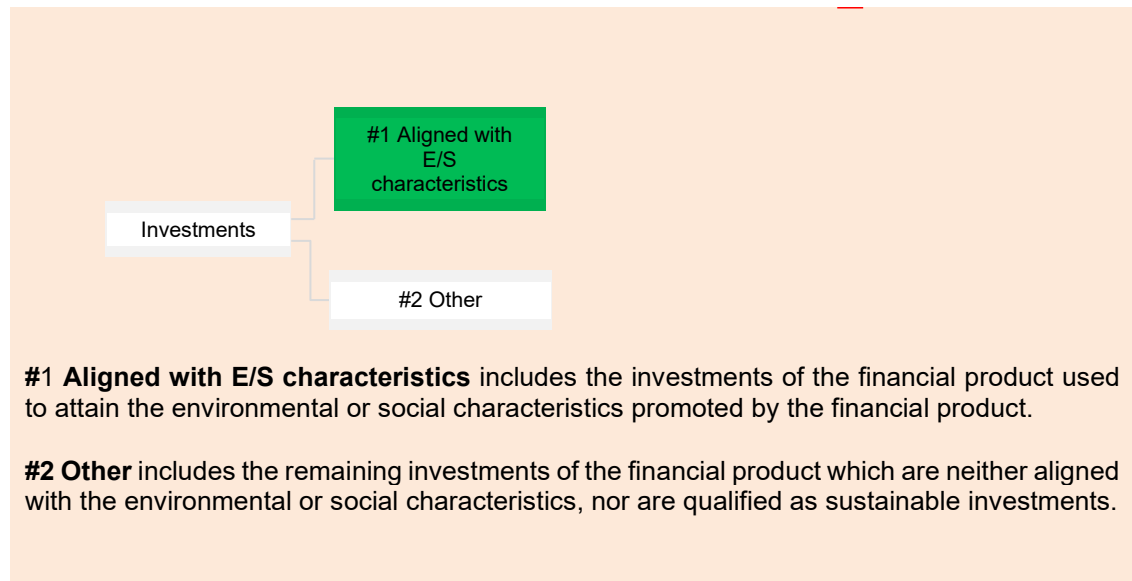
- Investments must be based on the Resource Efficiency Factor Score based on carbon, water and waste disclosure, where available;
- No investments may be made in companies flagged by the UNGC exclusion list; and
- No investments in tobacco companies.

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

The Investment Manager has in place a policy to assess the good governance practices of the investee companies of the Sub-Fund whereby prospective investee companies are screened and assessed and removed from the investment universe where their practices fail to meet the standards of the policy. In particular, companies flagged by the UNGC exclusion list will be excluded entirely from the Sub-Fund.

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

The Sub-Fund commits to a minimum proportion of 95% of investments to attain the characteristics promoted by the Sub-Fund. The remaining portion of the investment of the Sub-Fund consists of cash or ancillary liquid assets and FDI for efficient portfolio management purposes or for investment purposes related to achieving the Sub-Fund's investment objective.







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

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

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

The minimum extent to which the Sub-Fund's investments are aligned with the EU Taxonomy is 0%.

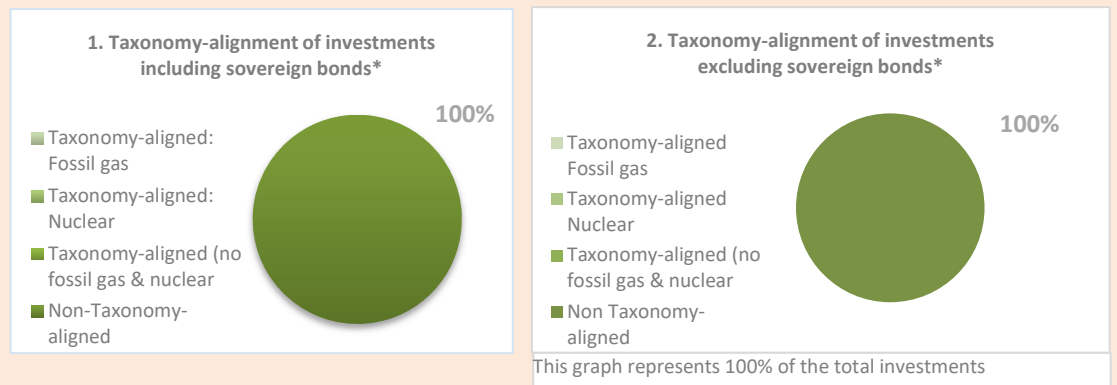
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas       In nuclear energy

No

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



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



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

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

The minimum share of investments in transitional and enabling activities is 0%.



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

0%. The Sub-Fund does not commit to making any sustainable investments.



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

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The investments included under “#2 Other” are the FDIs listed in the Supplement used for investment and/or EPM purposes (including hedging purposes), or cash or ancillary liquid assets for liquidity purposes.

No minimum environmental or social safeguards are implemented in respect of these exposures.



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<https://www.osmosisim.com/uk>