

## **Supplement**

**dated 31 October 2025**

**to the Prospectus for Osmosis ICAV**

### **OSMOSIS GLOBAL CREDIT FUND**

This Supplement contains information relating specifically to the Osmosis Global Credit Fund (the “**Fund**”), a sub-fund of Osmosis ICAV (the “**ICAV**”), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and with segregated liability between sub-funds authorised by the Central Bank of Ireland on 7 April 2017 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 ICAV 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 ICAV dated 25 June 2025 and any addenda issued thereto in accordance with the requirements of the UCITS Regulations (the “Prospectus”) and is available from the ICAV 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 ICAV 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.

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

#### **1. Interpretation**

The expressions below shall have the following meanings:

**“Benchmark”** means the Bloomberg Global Aggregate Corporate 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 Shareholders.

**“Convertible Bonds”** means a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date.

<b>“CoCo Bonds”</b>	means a contingent convertible bond which is a form of hybrid debt instrument intended to either convert into equity or have their principal partially or completely written off with the option of revaluation under certain circumstances. Such instruments may be senior and/or subordinated. Before a conversion event, CoCo Bonds typically provide an attractive level of yield. CoCo Bonds, like subordinated bonds, are also intended to absorb the issuer’s capital losses before other higher-ranking liabilities.
<b>“Dealing Day”</b>	means each Valuation Day unless otherwise determined by the Manager and notified to Shareholders 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 <b>“Suspension of Valuation of Assets”</b> in the Prospectus.
<b>“Dealing Deadline”</b>	means for each Dealing Day: <ul style="list-style-type: none"> <li>(i) in relation to subscription requests, 10.00am (Irish time) on the Dealing Day; and</li> <li>(ii) in relation to redemption requests, 10.00am (Irish time) on the Dealing Day; or</li> <li>(iii) such other time as the Manager may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point on that Dealing Day.</li> </ul>
<b>“Founder Investor”</b>	means a Shareholder having initially subscribed into the Fund during the Initial Offer Period.
<b>“GHG Equivalent Emissions”</b>	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.
<b>“Investment Manager” and “Distributor”</b>	means Osmosis Investment Management NL B.V., or such other entity appointed to provide investment management and/or distribution services in respect of the Fund.
<b>“Osmosis Model of Resource Efficiency” or “MoRE Model”</b>	means a proprietary 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.

<b>“Resource Efficiency Factor Score”</b>	the Resource Efficiency Factor Score is calculated by 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).
<b>“Redemption Settlement Cut-Off”</b>	means three Business Days after the relevant Dealing Day.
<b>“SDG”</b>	means UN Sustainable Development Goals.
<b>“SDG Score/Scoring”</b>	the SDG Score is calculated using the Investment Manager’s proprietary framework. This is a company specific score based on the SDGs through which an issuer’s contribution to such SDGs is determined by a 3 step process. This process starts with a sector baseline on which a company’s products are analysed to examine contribution to the society and environment. Further, the operational processes involved in creating such products is checked along with any controversies/litigation claims and remediation actions taken which are perused before a final SDG Score is determined.
<b>“Subscription Settlement Cut-off”</b>	means three Business Days after the relevant Dealing Day.
<b>“Sustainability Risk”</b>	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.
<b>“Sustainable Finance Disclosures Regulation” or “SFDR”</b>	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.
<b>“SFDR Delegated Regulation”</b>	means Commission Delegated Regulation of 6 April 2022 supplementing Regulation (EY) 2019/2088.
<b>“Taxonomy Regulation”</b>	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.
<b>“Transition”</b>	means making progress to a more sustainable economy such as through climate change mitigation that contributes to the Paris Agreement (to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C) or contributing to achieving the SDGs.

**“Transition Beta Score/Scoring”**

the Transition Beta Score is calculated using the Investment Manager’s proprietary framework. This is a company specific score which is based on current product impact, forward looking green investments and the financial health of the company to determine a measurement of how much the company is geared towards the Transition.

**“Valuation Day”**

means each Business Day and/or such other day or days as may be determined by the Directors and notified to Shareholder 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 Fund (or such other time as the Directors may in their discretion determine and notify to Shareholders 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 EUR.

**3. Annual Accounting Date**

The first Annual Accounting Date shall be 30 June 2026 and ending on 30 June in each year thereafter.

**4. Information on Share Classes**

The Fund offers the following Classes of Shares:

<b>Class of Shares</b>	<b>Currency</b>	<b>Distributing or Accumulating</b>
Class A1	EUR	Distributing
Class A	EUR	Accumulating
Class A (Hedged)	EUR	Accumulating
Class A (Hedged)	USD	Accumulating
Class A (Hedged)	GBP	Accumulating
Class A1 (Hedged)	GBP	Distributing
Class A (Hedged)	AUD	Accumulating
Class A (Hedged)	CHF	Accumulating
Class B	EUR	Accumulating

Class B (Hedged)	EUR	Accumulating
Class B (Hedged)	USD	Accumulating
Class B (Hedged)	GBP	Accumulating
Class B (Hedged)	AUD	Accumulating
Class B (Hedged)	CHF	Accumulating
Class C1 (Hedged)	GBP	Distributing
Class C	EUR	Accumulating
Class C (Hedged)	EUR	Accumulating
Class C (Hedged)	USD	Accumulating
Class C (Hedged)	GBP	Accumulating
Class C (Hedged)	AUD	Accumulating
Class C (Hedged)	CHF	Accumulating
Class D1 (Hedged)	GBP	Distributing
Class D2 (Hedged)	GBP	Accumulating
Class D2 (Hedged)	GBP	Distributing
Class D2 (Hedged)	EUR	Accumulating
Class D2 (Hedged)	EUR	Distributing
Class D2 (Hedged)	USD	Accumulating
Class D2 (Hedged)	USD	Distributing
Class D	EUR	Accumulating
Class D (Hedged)	EUR	Accumulating
Class D (Hedged)	USD	Accumulating
Class D (Hedged)	GBP	Accumulating
Class D (Hedged)	AUD	Accumulating
Class D (Hedged)	CHF	Accumulating
Class E (Hedged)*	USD	Accumulating

*\*The Directors shall close the Class E Shares to further subscriptions on the earlier of (i) the close of*

*the Initial Offer Period or such later date as may be determined in the discretion of the Directors or (ii) on the date upon which the Fund has accepted aggregate subscriptions of USD 200,000,000 from Founder Investors in the Class E Shares. The USD 200,000,000 or currency equivalent limit may be increased at the discretion of the Directors.*

Shares shall be issued to investors as Shares of a Class in this Fund. The Directors may from time to time, create more than one Class of Shares in this Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Shares, 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 Directors or the Manager may in their 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's prevailing terms and conditions).

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

The Fund is expected to be suitable for informed investors seeking capital appreciation and income in excess of the Benchmark (after adjusting for risk) through exposure to a diversified portfolio of global fixed income securities and who seek sustainability considerations to be integrated into the Fund's investment process. Sustainability considerations are binding elements in the investment process which the Investment Manager believes supports return objectives in the long run. Investors in the Fund should be willing to accept a moderate degree of volatility and should be prepared to invest over an investment horizon of 3-5 years. If in doubt investors should seek professional advice, prior to making an investment in the Fund.

## **6. Investment Objective and Policy**

### **Investment Objective**

The investment objective of the Fund is to seek long term capital growth. Investors should note that there can be no guarantee that the Fund will achieve its investment objective.

### **Investment Policy**

The Fund will aim to achieve its objective by investing in a wide array of primarily non-government global fixed income securities as specified below across a broad spread of sectors and countries seeking to capitalise on primarily improving credit fundamentals for a particular sector or company.

The Fund will typically invest, subject to the investment restrictions set out in Appendix 1 to the Prospectus, at least two-thirds of its Net Asset Value in a multi-sector portfolio of fixed income securities from around the world, comprising fixed and/or floating rate non-government corporate bonds, subordinated bonds including sub-ordinated financial instruments like Convertible Bonds and CoCo Bonds, high-yield rated corporate bonds, and emerging market debt securities issued by public or private-sector entities. The Fund will predominantly invest in fixed income securities that are rated Baa3 / BBB- or higher by at least one of the recognised rating agencies (**Investment Grade**). The Fund will not invest in securities rated below B- by at least one of the recognised rating agencies other than passively as part of a debt restructuring.

The Fund may invest up to 10% of its Net Asset Value in Investment Grade asset-backed securities (**ABS**) issued by corporations or other entities (including public and local authorities) backed or collateralised by the income stream from an underlying pool of assets. The underlying assets typically

include mortgages, auto loans and other loans or receivables with predicable maturities and typically do not include pass-through securities.

The Fund will also invest a minimum of 5% of its Net Asset Value in green bonds, social bonds, and sustainability and/or sustainability-linked bonds (**Green, Social and Sustainability Bonds**) that comply with, respectively, the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines and Sustainability-Linked Bond Principles published by the International Capital Market Association from time to time (the **ICMA Principles**). Green bonds enable capital-raising and investment for new and existing projects with environmental benefits and comply with the Green Bond Principles which seek to support issuers in financing environmentally sound and sustainable projects. foster a net-zero emissions economy and protect the environment. Social bonds are use of proceeds bonds that raise funds for new and existing projects with positive outcomes and comply with the Social Bond Principles which seek to support issuers in financing socially sound and sustainable projects that achieve greater social benefits. Sustainability bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects and comply with the Sustainability Bond Guidelines. Sustainability-linked bonds aim to further develop the key role that debt markets can play in funding and encouraging companies that contribute to sustainability (from an environmental and/or social and/or governance perspective) and which comply with the Sustainability-Linked Bond Principles. The Fund may invest in green bonds issued pursuant to Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds (the **European Green Bond Regulation**) (**European Green Bonds**) and green bonds that are not European Green Bonds.

The Fund also seeks to incorporate sustainability considerations into the investment process of the Fund as outlined in the *Investment Strategy* section below and in the Annex to the Supplement.

The Fund may invest in financial derivative instruments (**FDI**) for investment, hedging and efficient portfolio management purposes as outlined in the “**Financial Derivative Instruments**” section of this Supplement. Exchange traded and over-the-counter derivatives are permitted, comprising of interest rate, index (including credit index) and currency futures, swaps, options, currency forwards and/or combinations of the above. The Fund may take long and short positions in the asset classes listed in this investment policy and this is achieved through the use derivatives for investment purposes as well as for hedging and efficient portfolio management.

### *Investment Strategy*

The Investment Manager believes in the integration of alpha, risk, and sustainability. Alpha is a measure of how an investment of the Fund performs compared to the Benchmark, after adjusting for risk. This approach results in an integrated solution for every investment decision, requiring all three elements to be assessed. The Investment Manager assesses potential investments by the Fund by reference to these three elements.

As noted above, the Fund invests across a broad spread of companies and sectors and countries seeking to capitalise on improving credit fundamentals for a particular sector or company. The Investment Manager’s investment process incorporates “top down” and “bottom up” processes to construct the portfolio. The “top down” assessment focusses on the phase of the credit market and the overall global economic environment and allows the Investment Manager to assess, in respect of an investment, the portfolio beta (i.e. the volatility or risk compared to the Benchmark), the sector choice and other more cyclical variables.

Once the Investment Manager has optimised the “top down” assessment, it undertakes credit research to identify bonds with improving credit fundamentals or attractive credit spreads. This is the Investment Manager’s “bottom up” selection process. The Investment Manager employs a rigorous credit research

process for the companies in which the Fund invests. Every investee company is assessed on a business, strategy, sustainability, corporate structure and financials five pillar framework. Each pillar is concluded with a qualitative assessment (very strong, strong, average, weak and very weak) of the section. There is no fixed weighting or importance of the sections among each other. At the end of the credit committee the analysts determine a C Score (ranging from +3 to -3) which reflects the fundamental credit quality over the next twelve months given the credit rating and across sector. The Investment Manager's reason to determine a C Score given the rating and across sectors is because a higher rated credit is fundamentally stronger than a lower rated credit. Separately to this the credit committee decides on the relative value of the issuer and its issues. This way the credit report provides the tool to have a thorough discussion to protect against experiencing defaults or credit losses and that is what is central to the investment process.

The Investment Manager may diversify the portfolio to enhance credit quality by investing in Investment Grade fixed income securities (including ABS) as set out in the investment policy above. For instance, the Investment Manager may allocate to Investment Grade fixed income securities (such as longer dated Investment Grade bonds, Investment Grade financials or subordinated securities of Investment Grade companies) if the spread premium is more attractive relative to High Yield securities. The Investment Manager may also invest in ABS (particularly ABS rated AAA) to further diversify the Fund's portfolio and reduce risk by investing in instruments that do not exhibit strong correlation versus the Fund's investments in other fixed income securities, as outlined above, in addition to the Fund's investments in liquid assets, such as cash and cash equivalents.

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

The Investment Manager's approach to incorporating sustainability considerations focuses on 'Transition thinking'. This approach involves assessing whether each investee company is on track to become part of a more sustainable economy. Examples of making progress to a more sustainable economy are through climate change mitigation that contributes to the Paris Agreement (to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C) or contributing to achieving the UN Sustainable Development Goals. The Investment Manager believes that Transition thinking differs from traditional ESG thinking. ESG thinking makes one better informed about a company using often historical data analysis and reflects the financial materiality factors that impact the company. Transition thinking focuses more on the current product impact of the company and uses more forward-looking elements like investing in green capital expenditures (e.g. via Green Social and Sustainability Bonds) or creating green patents to make progress on the pathway to a more sustainable economy. In practice it means that the Investment Manager specialises in incorporating negative externalities (e.g. pollution or carbon cost) into cash flow modelling and credit research. This last step of analysing the financial impact of the Transition on credit worthiness of the company is crucial. The Investment Manager realises investors want a good return and therefore it believes its assessment and selection of the winners in the Transition enhances alpha and return potential. The Investment Manager believes Transition thinking enhances returns since the investee companies that are better prepared for the Transition will face less stranded assets or assets that are less profitable or less economical or technically have a shorter life (higher depreciation). The Investment Manager expects that transitioning companies show less cash flow interruptions and better quality and hence are better prepared for the future. Overall, the combination of ESG integration with the more forward-looking Transition thinking seeks to drive alpha and creates a portfolio which is more geared to the sustainable economy.

The Investment Manager's Transition framework correlates current economic activities (both what the product range is and an assessment how the company produces). The Investment Manager defines key performance indicators (**KPIs**) associated with Nature, the Economy and Society which is calls



Transition Dimensions. In practice the Investment Manager has the following proprietary investment frameworks at its disposal. The first is the SDG Scoring framework as described below. This framework maps the company to the 17 SDGs as defined by the United Nations and set out in Annex I below. The second framework is the Transition Beta Scoring. This framework calculates based on current product impact, forward looking green investments and the financial health of the company to determine a measurement of how much the company is geared towards the Transition. The third is the Resource Efficiency framework which drives (equity) alpha via assessing the most resource efficient companies and is also relevant for debt investors. A weak or dirty or negative contributing activity will not be made whole by a good activity. As soon as there is a material negative contributing activity the total score of the SDG framework will turn negative.

The Resource Efficiency Factor Score is generated through the Osmosis Model of Resource Efficiency or 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. 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 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 or does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero-factor score.

The Investment Manager excludes issuers that are listed on any sanctions lists published or maintained by the United Nations, the United States of America, the Netherlands, or the European Union. The Investment Manager also seeks to apply wider principles-based exclusions on companies where the Investment Manager in its discretion determines, based on information provided by a third-party data provider as outlined above, the company:

- (i) is in breach of any of the International Labour Organization (ILO) standards, United Nations Guiding Principles (UNGP), United Nations Global Compact (UNGC) or the organisation for economic co-operation and development (OECD) guidelines for multinational enterprises;
- (ii) is in breach of the Investment Manager's good governance test and anti-money laundering criteria;
- (iii) has an involvement in controversial weapons production which represents 10% of revenue or greater and is in breach any of the following treaties or legislation;
  - (a) the Ottawa Treaty (1997) on anti-personal mines,
  - (b) the Convention on Cluster Munitions (1997) on cluster munition,
  - (c) the Chemical Weapons Convention (1997),
  - (d) the Biological Weapons Convention (1997),
  - (e) the Treaty on the Non-Proliferation of Nuclear Weapons (1996),
  - (f) the Market Abuse Regulation,
  - (g) the Belgian Loi Mahoux on uranium weapons, or
  - (h) Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons; and
- (iv) is a company with involvement in the cultivation or production of tobacco or non-certified palm oil which represents 10% of revenue or greater.

The SDG Scoring framework is used for determining the sustainable investment definition under SFDR and defining the binding elements in relation to promotion of E/S characteristics such that companies

that score a -9/-10 on the Investment Manager's proprietary SDG Scoring framework are excluded as set out in Annex I hereto.

In addition, in normal market conditions, the Fund will invest a minimum of 20% of its Net Asset Value in investments which the Investment Manager has categorised as sustainable investments (including a minimum of 5% of its Net Asset Value in Green, Social and Sustainability Bonds) as determined by the Investment Manager which aim to contribute to the UN SDGs that have both a social and environmental objective. Prior to selecting Green, Social and Sustainability Bonds for inclusion in the Fund's portfolio, the Investment Manager's research process assesses (i) whether the Green, Social and Sustainability Bonds comply with the relevant ICMA Principles, (ii) the impact of the Green, Social or Sustainability Bond by reference to the projects financed through the proceeds of the Green, Social, or Sustainability Bond, and (iii) whether the Green, Social or Sustainability Bond fits with the Fund's strategy. The Investment Manager has developed a proprietary framework based on the UN SDGs through which an issuer's contribution to such SDGs is determined by a 3 step process. This process starts with a sector baseline on which a company's products are analysed to examine contribution to the society and environment. Further, the operational processes involved in creating such products is checked along with any controversies/litigation claims and remediation actions taken which are perused before a final SDG Score is determined. The final score ranges between high negative (-10) to high positive (+10) and only those issuers which achieve positive SDG Scores (>+0) are regarded as sustainable investments eligible for inclusion in the Fund. More Information about the sustainable investments the Fund makes is available in Annex I hereto.

## **7. Financial Derivative Instruments**

The Fund may also use FDI for investment and efficient portfolio management purposes including for hedging purposes. The Fund may buy and sell exchange-traded and over-the-counter FDI, including interest rate, index (including credit index) and currency futures, currency, interest rate, total return swaps, and credit default swaps, currency, bond, and swap options, and deliverable and non-deliverable currency forward contracts to gain both long and short exposure to the instruments listed above.

**Interest rate, index (including credit index) and currency futures:** The Fund may sell interest rate, index (including credit index) and currency futures to manage risks by "locking in" gains and/or protecting against future declines in value of the 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 Fund may buy interest rate, index (including credit index) and currency futures to take a position in securities to achieve the investment objective of the Fund where the Investment Manager believes that these securities are undervalued and will enhance the 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 Fund.

The Fund may buy or sell interest rate, index (including credit index) and currency futures to manage and limit interest rate or credit or currency risk deviations of the portfolio versus the Benchmark risks.

**Swaps:** The Fund may enter into transactions in swaps or options on swaps (including currency swaps, interest rate swaps, total return swaps and credit default swaps).

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the overall volatility of the Fund's investments and its share price and yield because, and to the extent, these agreements affect the Fund's exposure to long- or short-term interest rates, foreign currency values, mortgage-backed securities values, corporate borrowing rates or other

factors such as security prices or inflation rates. Swap agreements will tend to shift the Fund's investment exposure from one type of investment to another. For example, if the Fund agrees to exchange payments in US Dollars for payments in the currency of another country, the swap agreement would tend to decrease the Fund's exposure to U.S. interest rates and increase its exposure to the other country's currency and interest rates.

A total return swap or future is a bilateral financial contract, which allows the Fund to enjoy all of the cash flow benefits of an asset without actually owning this asset (the **Reference Asset**). The Fund will have to pay a periodic fee (fixed or floating payment) in exchange for its right to receive the total return of the Reference Asset (coupons or capital gains or losses). The Reference Asset can be almost any asset, index or basket of assets, which constitute an eligible investment for the Fund.

The Fund may enter into credit default swap agreements. The Fund may be either the buyer or seller in a credit default swap transaction. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If the Fund is a buyer and no event of default occurs, the Fund will lose its investment and recover nothing. On the other hand, if the Fund is a buyer and an event of default does occur, the Fund (the buyer) will receive the full notional value of the reference obligation that may have little or no value. Conversely, if the Fund is a seller and an event of default occurs, the Fund (the seller) must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for the reference obligation. As a seller, the Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation.

**Currency forward contracts:** The Fund may utilise forward foreign exchange contracts to manage the Fund's exposure to currency fluctuations and/ or hedge currency risk. In particular, currency forwards may be used to implement share class currency hedging arrangements pursuant to the section entitled "**Share Class Hedging**" of this Supplement. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Such forwards may also be non-deliverable and structured so as to be cash settled, usually on a thinly traded currency or bond or non-convertible currency. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. There is no central clearing system for forward foreign exchange contracts entered into on this market and accordingly, if the Fund wishes to 'close out' any such contract before the specified date, it will be reliant upon agreement to enter into an appropriate 'offsetting' transaction. There is no limitation as to daily price movements on this market and counterparties will not be required to make or continue to make a market in any forward foreign exchange contracts. Further, effecting forward foreign exchange contracts may involve somewhat less protection against defaults than trading on exchanges, as neither the interbank market nor transactions in forward foreign exchange contracts effected on it are regulated by any regulatory authority, nor are they guaranteed by an exchange or its clearing house.

The use of derivatives entails certain risks to the 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*", "*OTC Markets Risk and Derivatives Counterparty Risk*" and "*Risks Associated with Securities Financing Transactions*".

## **8. 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 Shareholders 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 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 Fund.

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

### **Global Exposure and Leverage**

The Fund employs the Value at Risk (**VaR**) approach to market risk. The Fund uses a relative VaR approach to calculate VaR in accordance with the requirements of the Central Bank and ensures that the VaR of the Fund does not exceed twice the VaR of the Benchmark. The calculation of relative VaR shall be carried out in accordance with the following parameters:

- (i) one-tailed confidence interval of 99%;
- (ii) holding period equivalent to 1 month (20 business days);
- (iii) effective observation period (history of risk factor of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);
- (iv) quarterly data set updates or more frequent when market prices are subject to material changes; and
- (v) at least daily calculation.

The Fund will use leverage to achieve its investment objectives. For the purposes hereof, “leverage” means the sum of the notional long market exposures and the notional short market exposures with such exposures being expressed as a percentage of the Net Asset Value of the Fund.

### **Calculation of Global Exposure**

The average leverage of the Fund, under normal market conditions, calculated in accordance with the current regulations and guidance, is expected to be 75% of the Net Asset Value of the Fund (i.e. on the basis of the Fund having an anticipated 150/150 long and synthetic short position exposure) at each rebalance under normal market conditions. Market movements between each rebalance will impact upon the leverage range of the Fund, such that the average leverage of the Fund targeted is expected to stay in the range of 65%-85% of the Net Asset Value of the Fund. Unusual market conditions may, however, result in a greater variation of the percentages of long and synthetic short exposure of the Fund, provided that the maximum leverage of the Fund shall not exceed 300% of Net Asset Value and the anticipated maximum value of the Fund's long and synthetic short positions will not exceed 150% of the Net Asset Value of the Fund.

Further details in relation to use of FDI and the calculation of the global exposure are set out under the headings “Financial Derivative Instruments” and “Leverage, Investment and Borrowing Restrictions”.

The Fund may not invest more than:

- 5% of its Net Asset Value in equities or other participation rights or warrants. These holdings may be received actively as part of a recapitalisation or passively as a result of corporate actions. These form part of the Fund's active investments into fixed income securities which may enter the process of debt restructuring. These securities can be newly issued securities

derived from the previous constituents included in the Benchmark, comply with the UCITS eligibility criteria and are liquid and listed on a Regulated Market (which may include defaulted fixed income securities rated D by a recognised rating agency);

- 10% in aggregate of its Net Asset Value in other collective investment schemes (including money market funds and open-ended exchange traded funds (**ETFs**)) and/or UCITS; and
- 15% of its Net Asset Value in Convertible Bonds of which a maximum of 10% may be in CoCo Bonds.

The Fund may also invest up to 20% of its Net Asset Value 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. The Fund may also, pending re-investment or in circumstances of extreme volatility or if market factors require and if considered appropriate to the investment objective of the Fund, invest in excess of 20% of the Fund's Net Asset Value, and up to 100% of its Net Asset Value, in cash and the above cash equivalents if justified and to the benefit of the Shareholders.

The Fund may invest up to 10% of its Net Asset Value in aggregate in collective investment schemes including other sub-funds of the ICAV or eligible funds managed by the Investment Manager. Collective investment schemes must meet the criteria set out in the Central Bank's Guidance on "UCITS Acceptable investments in other Investment Funds".

The Fund may invest in other sub-funds of the ICAV in accordance with the requirements of the Central Bank, in which case the rate of the annual management fee which investors in the investing Fund are charged in respect of the portion of the Fund's assets invested in such other sub-fund of the ICAV shall not exceed the rate of the maximum annual management fee which investors in the investing Fund may be charged in respect of the balance of the Fund's assets, such that there shall be no double charging of the annual management fee to the investing Fund as a result of its investments in such other sub-fund of the ICAV. The Fund cannot invest in another sub-fund of the ICAV which is itself invested in another sub-fund of the ICAV.

This Fund is actively managed in reference to the Benchmark and seeks to outperform the Benchmark while seeking to control relative risk through limiting scope for increased interest rate risk, currency risk and issuer risk relative to the risk profile of the Benchmark. The Fund will target annual outperformance of the Benchmark (excluding the net fees payable to the Investment Manager, but not the other direct and indirect fees and costs of the Fund) of approximately 100 basis points ("**bps**") per annum. This target outperformance cannot be guaranteed, and actual outperformance could be higher or lower than this target. There is a risk that the Fund may not outperform the Benchmark, including due to the impact of operating fees and costs of the Fund.

The Fund will typically invest in fixed income securities included in the Benchmark, provided the Fund has the flexibility to invest up to 20% of its Net Asset Value in fixed income securities (including Investment Grade fixed income securities, but excluding cash and cash equivalents) which are not included in the Benchmark in order to take advantage of investment opportunities provided such securities otherwise comply with the Fund's investment objective and policy. For the avoidance of doubt, the Fund's ability to invest in cash and cash equivalents, as outlined above, is not treated as forming part of the Fund's flexibility to invest 20% of its Net Asset Value in fixed income securities which are not included in the Benchmark. Whilst the investment strategy, in particular the Investment Manager's efforts to manage the risk profile of the Fund in order to limit scope for increased interest rate risk,

currency risk and issuer risk relative to the risk profile of the Benchmark, as outlined above, will typically restrict the extent to which the Fund's holdings may deviate from the Benchmark, deviation may still be material. For instance, the Investment Manager may:

(i) vary the weighting of the Fund's exposure to fixed income securities relative to their weighting within the Benchmark such that the Fund may deviate substantially from the weightings in the Benchmark; and

(ii) invest up to 20% of its Net Asset Value in fixed income securities (as disclosed above) which are not included in the Benchmark.

### **Investment and Borrowing Restrictions**

The investment and borrowing restrictions for the Fund are set out in Appendix I to the Prospectus. Borrowing will not be utilised for the purposes of gearing. Borrowings on behalf of the 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 Fund. The Fund may borrow to meet redemption requests. The remaining borrowing restrictions for the Fund are set out in the main body of the Prospectus.

### **Exposure to Securities Financing Transactions**

The Fund's expected and maximum exposure to Securities Financing Transactions (**SFTs**) is as set out below (in each case as a percentage of the Net Asset Value of the Fund):

<b>Type of transaction</b>	<b>Expected</b>	<b>Maximum</b>
Total return swaps	0%	20%
SFTs	0-10%	49%
Repurchase agreements	0%	10%
Reverse repurchase agreements	0 – 5%	15%

Further information on SFTs can be found in the Prospectus in the section entitled **Securities Financing Transactions**.

## **10. Offer**

### **Initial Offer Period**

The Initial Offer Period for each unlaunched Class of Shares opens at 9 a.m. on 3 November 2025 and will close at 5 p.m. on 1 May 2026 (or such date as the Directors may determine in accordance with the requirements of the Central Bank) at the initial issue price of US\$ 10.00, GBP£ 10.00, EUR 10.00, CHF 10.00 and AUD 10.00 (the "**Initial Price**") respectively, and subject to acceptance of applications for Shares by the ICAV, will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period.

The Initial Offer Period for the Class C1 (Hedged) Shares, Class D2 (Hedged) Distributing GBP Shares, and Class E (Hedged) Shares has now closed.

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 Shares of the Class will be issued at their Net Asset Value per Share.

After closing of the Initial Offer Period Shares in the Fund will be issued at the Net Asset Value per Share (plus any applicable duties or charges). Please see the section entitled “**Application for Shares**” 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 Shares. To date the Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size requirements in respect of each Class of Shares is as follows:

<b>Class of Shares</b>	<b>Minimum Initial Subscription<sup>*^</sup></b>	<b>Minimum Holding<sup>*^</sup></b>	<b>Minimum Transaction Size<sup>*^+</sup></b>
Class A	EUR 1 million	EUR 1 million	EUR 1 thousand
Class A1	EUR 1 million	EUR 1 million	EUR 1 thousand
Class B	EUR 5 million	EUR 5 million	EUR 1 thousand
Class C1	EUR 25 million	EUR 25 million	EUR 100 thousand
Class C	EUR 25 million	EUR 25 million	EUR 100 thousand
Class D1	EUR 75 million	EUR 75 million	EUR 1 million
Class D2	EUR 125 million	EUR 125 million	EUR 1 million
Class D	EUR 75 million	EUR 75 million	EUR 1 million
Class E	USD 150 million	USD 150 million	USD 10 million

*\* or such lesser amount as the Directors may permit particularly in the context of fluctuations of the Net Asset Value of the 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 and the Manager have the right in their discretion, with respect to any investor, to waive or reduce the Initial Subscription, Minimum Holding and Minimum Transaction Size requirements outlined in the table above (if any) at any time. The Directors and the Manager have delegated the right to the Investment Manager to waive the Initial Subscription, Minimum Holding and Minimum Transaction Size outlined in the table above (if any) at any time in its sole discretion, provided that Shareholders in the same Class shall be treated equally and fairly.

## **11. Share Class Hedging**

Investors should note that for the Class A (Hedged) Shares, Class A1 (Hedged) Shares, Class B (Hedged) Shares, Class C (Hedged) Shares, Class C1 (Hedged) Shares, Class D (Hedged) Shares, Class D1 (Hedged) Shares and Class D2 (Hedged) Shares (the **Hedged Share Classes**) it is intended to hedge any applicable currency risk arising between the Benchmark and the currency exposures within the portfolio and arising between the Benchmark and the currency in which a Hedged Share Class is designated. Hedged Share Classes are designed to provide investors in that Share Class with hedged currency exposure while enabling such investors to participate to the maximum extent possible in the same performance of the common pool of assets as other investors, even though their exposure to the Fund is obtained through a different currency from the Base Currency of the Fund. Any financial derivative instruments used to implement such hedging with respect to a Hedged Share Class shall be assets or liabilities of the Fund as a whole but the gains or losses on, and the costs of the relevant financial derivative instruments, will be attributable solely to the relevant Hedged Share Class.

It is not intended to hedge the currency risk between the Base Currency or the currency exposures within the portfolio against the currencies in which each Share Class that is not a Hedged Share Class are designated.

## **12. Applications for Shares**

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

## **13. Redemption of Shares**

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

## **14. Conversion of Shares**

Subject to the Initial Subscription and Minimum Holding requirements of the relevant Classes, Shareholders may request conversion of some or all of their Shares in one Fund of the ICAV or Class to Shares in another Fund of the ICAV or Class or another Class in the Fund in accordance with the procedures specified in the Prospectus under the heading “**Conversion of Shares**”.

## **15. Investment Manager and Distributor**

The Investment Manager and Distributor of the Fund is Osmosis Investment Management NL B.V. The address of the Investment Manager is Coolsingel 65 3012 AC, Rotterdam, Netherlands. The Manager has appointed Osmosis Investment Management NL B.V. as Investment Manager of the Fund with discretionary powers pursuant to an investment management and distribution agreement dated 25 June 2025 (the **Investment Management Agreement**). Under the terms of the Investment Management Agreement, the Investment Manager is responsible for managing the assets and investments of the Fund in accordance with the investment objectives, policies and strategies described in the Prospectus and this Supplement, subject always to the supervision and direction of the Manager.



The Investment Manager was incorporated as a private limited company in the Netherlands on 29 July 2024 and is regulated and authorised by the Autoriteit Financiële Markten in the Netherlands as an alternative investment fund manager and provider of discretionary portfolio management services.

The Investment Manager may delegate the discretionary investment management of the Fund to one or more sub-investment managers in accordance with the requirements of the Central Bank. The fees and expenses of each sub-investment manager so appointed shall be paid by the Investment Manager out of its own fee. Details of such appointment will be provided to Shareholders on request and shall be further disclosed in each annual and semi-annual report of the ICAV.

The Investment Manager has also been appointed as Distributor of the Shares of the Fund and is in relation thereto entitled to any Subscription Fee payable on subscriptions. The Investment Manager may delegate the distribution of Shares of the Fund to sub-distributors in accordance with the requirements of the Central Bank. The fees and expenses of each sub-distributor so appointed shall be paid by the Investment Manager out of its own fee.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by the Manager or the ICAV who may terminate the appointment of the Investment Manager by giving not less than 90 days' notice in writing. The Investment Management Agreement may be terminated by either party immediately should either party go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or be unable to pay its debts or commit any act of bankruptcy under the laws of Ireland or if a receiver is appointed over any of the assets of such other party or if some event having an equivalent effect occurs in Ireland or another jurisdiction, or if either party commits a breach of the Investment Management Agreement, the UCITS Regulations, or the Central Bank UCITS Regulations and such a breach is not remedied within 14 days of notice of the breach being received.

Pursuant to the Investment Management Agreement the Investment Manager shall not be liable for any loss sustained by reason of the adoption of any investment policy as set out in the Prospectus or the purchase, sale, or retention of any security on its own recommendation, whether or not such recommendation shall have been based upon the Investment Manager's investigation and research or upon investigation and research made by any other individual, firm or corporation, provided that the Investment Manager shall be liable to the Manager, the Fund or its Shareholders by reason of recklessness, fraud, bad faith, wilful default or negligence of the Investment Manager in respect of its obligations and duties under the Investment Management Agreement.

## **16. Fees and Expenses**

The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in detail under the heading "Fees and Expenses" in the Prospectus.

### **Establishment Expenses**

The Fund shall bear (i) its attributable portion of the fees and operating expenses of the ICAV and (ii) the fees and expenses relating to the establishment of the Fund which estimated not to exceed €40,000, exclusive of VAT, and will be borne by the Fund and will be amortised over a period of up to five (5) years from the date of the launch of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

### **Management Fee**

The Manager shall be entitled to receive out of the assets of the Fund (i) a monthly fee, exclusive of VAT (if applicable) of EUR 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**).

Net Asset Value	Annual Management Fee Rate
From EUR 0 to EUR 250 million*	0.020%
From and above EUR 250 million	0.015%

The Manager is entitled to increase its annual fees up to a maximum of 0.30% of the Net Asset Value attributable to each Class. Shareholders 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 Shareholder, it being acknowledged that such rebate, if any, may differ between Shareholders 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 Shareholder.

### Investment Manager's Fees

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee of up to the following amounts, together with any VAT, if applicable, in respect of each Class. The fees 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.

Class	Investment Management Fee
Class A and Class A1	0.75% of the Net Asset Value attributable to Class A Shares and Class A1 Shares
Class B	0.65% of the Net Asset Value attributable to Class B Shares
Class C	0.45% of the Net Asset Value attributable to Class C Shares
Class D	0.35% of the Net Asset Value attributable to Class D Shares
Class D2	0.25% of the Net Asset Value attributable to Class D2 Shares
Class E	0.15% of the Net Asset Value attributable to Class E Shares

The Investment Manager is entitled to increase its annual fees up to a maximum of 2.00% per annum

of the Net Asset Value attributable to each Class. Shareholders 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 Shareholder, it being acknowledged that such rebate, if any, may differ between Shareholders 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 Shareholder.

### **Administrator's Fees**

The Administrator shall be entitled to receive out of the assets of the Fund, an annual fee (plus VAT, if any) of up to 0.020% of the Net Asset Value of the Fund which shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

The Administrator shall also be compensated out of the assets of the Fund for other services, including inter alia transfer agency services, account maintenance, share currency hedging facilities, preparation of financial statements of the ICAV, 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 Fund.

### **Depository's Fees**

The Depository shall be entitled to receive out of the assets of the Fund, an annual fee (plus VAT, if any) of up to 0.010% of the Net Asset Value of the Fund which shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

The Depository shall also be entitled to be repaid out of the assets of the Fund for all of its reasonable disbursements incurred on behalf of the 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 Fund. Such custody fees shall accrue and be payable monthly in arrears.

### **Subscription Fee**

No Subscription Fee in respect of any Class will be imposed.

### **Redemption Fee**

No Redemption Fee in respect of any Class will be imposed.

### **Conversion Charge**

Shareholders may be subject to a conversion fee on the conversion of Shares in any Class of the Fund to Shares in another Fund or Class up to a maximum of 3% of the Subscription Price in the new Fund or Class. However, it is not currently intended that a conversion fee in respect of any Class will be imposed. Shareholders 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**”.

## **17. Distribution Policy**

Both Distributing and Accumulating Shares are available for issue as further set out in the section of this Supplement entitled “Information on Share Classes”. The Directors may determine in their sole discretion to declare dividends and to distribute any income on the Distributing Shares. Dividends, if any, will be declared out of net income (i.e. income less expenses).

Distributing Shares may declare a dividend on a quarterly basis and, if so, it will be paid within four months of the declaration date. Dividends will be paid in the denominated currency of the relevant Distributing Shares.

Any change in the dividend policy for the Fund will be notified to Shareholders in advance and full details of such a change will be provided in an updated Supplement.

## **Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Fund is suspended in the manner described in the Prospectus under the heading “**Suspension of Valuation of Assets**”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares 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.

## **18. Risk Factors**

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

Set out below are the principal risks associated with an investment in the Fund. This list is not intended to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective. The principal risks, which are described in the “**Risk Factors**” section of the Prospectus, are as follows:

- Active Investment Management
- Asset Backed Securities
- Credit Risk
- Counterparty Risk
- Currency Risk
- Derivatives and Techniques and Instruments Risk
- Share Currency Designation Risk
- Substantial Risks are Involved in Trading Financial Derivative Instruments
- OTC Markets Risk and Derivatives Counterparty Risk
- Risks Associated with Securities Financing Transactions
- Market Risk and Change in Market Conditions
- Operational Risk
- Investing in Fixed Income Securities
- Interest Rate Risk
- Inflation Risk
- Emerging Markets Risk

## **Subordinated Debt Risk**

The Fund may invest in fixed income securities that are junior in the capital structure relative to other securities. Holders of subordinated securities are paid after senior security holders and have less of a claim on issuer assets. Therefore, the risk of loss is greater than in the case of securities which are more senior in the capital structure.

The market value of Convertible Bonds tends to decline as interest rates rise. Because of the conversion feature the market value of Convertible Bonds also tends to vary with fluctuations in the market value of the underlying common or preferred security.

Due to contingent write-down, write-off and conversion features of CoCo Bonds, such high-yielding instruments may have substantially greater risk than other forms of securities in times of credit stress. This means that, if a trigger level is breached, depending on the terms, the security may be automatically written-down, written-off or converted. This action could have an adverse effect on a Fund's ability to achieve its investment objective because a conversion may occur before the Fund might otherwise prefer. The Fund may even suffer a complete loss with no chance of recovery even if the issuer remains in existence. Any loss incurred by the subordinated securities is likely to be proportionately greater than unsubordinated securities, and any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on these securities. See further "CoCo Bond Risk" below.

### **Asset-Backed Securities Risk**

Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. Asset-backed securities are subject to prepayment risk, which is the risk that a borrower's payments may be received earlier or later than expected due to changes in prepayment rates on underlying loans. Asset-backed securities are also subject to extension risk, which is the risk that a rise in interest rates could reduce the rate of prepayments, causing the price of the asset-backed securities and the Fund's share price to fall. Investors' attention is drawn to the section entitled "Asset Backed Securities and Mortgage Backed Securities" risk in the Prospectus.

### **CoCo Bond Risk**

The Fund will invest in CoCo Bonds as described above which are a form of hybrid subordinated debt security that are intended to either convert into equity or have their principal written down upon the occurrence of certain triggers. Examples of these triggers include: (i) an issuer failing to meet a specified minimum capital level; (ii) an issuer's regulator questioning the continued validity of the issuer as a going concern; (iii) an issuer's regulator stating that the security should be converted or written down, partially or wholly; (iv) an issuer receiving specified levels of extraordinary public support. CoCo Bonds may also have unique equity conversion, principal write-down or coupon cancellation features which are tailored to the issuing banking institution and its regulatory requirements. In the case such triggers or features are invoked, the Fund may lose some or all of its original investment. Investors in CoCo Bonds may experience a reduced income rate, and the Fund may lose some or all of its original investment. Any future regulatory change impacting European banking institutions or CoCo Bonds could have substantial and adverse effects on the financial institutions issuing the CoCo Bonds. Some specific additional risks associated with CoCo Bonds are Coupon Cancellation Risk and Loss Absorption Risk as set out further below.

### **Coupon Cancellation Risk**

Coupon payments on some CoCo Bonds are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, CoCo Bonds may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

### **Loss Absorption Risk**

CoCo Bonds have been designated to meet specific regulatory requirements imposed on banking institutions. In particular, CoCo Bonds can be converted into equity of the issuing banking institution or have their principal written down if their regulatory capital ratio falls below a pre-determined level or when the relevant regulatory authority deems the banking institution being non-viable. In addition, those hybrid debt instruments have no stated maturity and fully discretionary coupons. This means coupons can potentially be cancelled at the banking institution's discretion or at the request of the relevant regulatory authority in order to help the bank absorb losses.

## **19. Sustainable Finance Disclosures**

### ***Integration of Sustainability Risks into investment decisions***

The Investment Manager systematically incorporates Sustainability Risks, to the extent these present a material risk to the Fund, into its investment and portfolio construction processes, alongside traditional financial risk factors. This is done through ESG scoring methodologies using proprietary sustainability research and external resources which are built into the portfolio construction process. Every single investment is covered by a credit report incorporating a five pillar approach in which the sustainable investing pillar is relevant. Here the Investment Manager assesses Sustainability Risks, Transition risks utilising its proprietary frameworks and external data vendors to have a complete picture on the double materiality (impact of the company on society as well as the financial material impact of society on the company).

The consideration of Sustainability Risks is incorporated into the investment analysis and decision-making processes in order to better assess investment opportunities and manage risk with a view toward generating sustainable, long-term returns. The Investment Manager applies ESG scoring methodologies and exclusions as described in the Fund's investment management strategy above to seek to mitigate Sustainability Risk.

### ***Assessment of the likely impact of Sustainability Risks on returns***

The financial position of investments of the Fund may deteriorate due to material Sustainability Risks. The Investment Manager's investment thesis is that companies that are clearly detrimental to achieving SDG goals or that do not score well in the financial health check during the transition to greener profits may result in a risk of capital losses, which in turn may impact the market value of the Fund's investments.

The Investment Manager's investment thesis is that companies that derive greater economic value relative to the SDG goals, the Transition and their natural resource consumption will be rewarded by the market over the long-term. It believes the SDG Scores; Transition Beta Scores and 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 Investment Manager currently believes that its investment process, when applied in normal market conditions, should help the Fund avoid investments that present unacceptably high Sustainability Risks. The Investment Manager's 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 and social characteristics that the Fund promotes and the Fund's partial investment in sustainable investments is available in Annex I hereto.**

## ANNEX I TO THE SUPPLEMENT

**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.

**Product name:** Osmosis Global Credit Fund

**Legal entity identifier:** 635400IDASVSQHNJRG92

## 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 **20%** of sustainable investments

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

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

☐ with a social objective

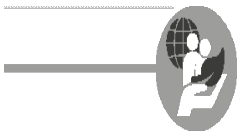
☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Fund has the following E/S characteristics:

1. The Fund promotes climate change mitigation and the Transition to alignment by investee companies with the Paris Agreement or the UN SDGs through its Transition framework correlating current economic activities with key KPIs associated with nature, the economy and society utilising its proprietary Transition Beta Scoring and Resource Efficiency Factor Score or through its proprietary SDG Scoring, as well as via third party providers and publicly available data.

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.





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

2. The Fund promotes (i) human rights; (ii) climate change mitigation; and (iii) health and in relation to (i) to (iii) avoidance of adverse harm to the environment by avoiding investments in companies that are involved in (subject to the thresholds set out in the section entitled '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*' below): (i) involvement in the production of controversial weapons; (ii) in the cultivation or production of tobacco and non-certified palm oil; (iii) thermal coal mining or arctic drilling or oil sands with no transition plan; and (iv) fossil fuels with no transition plan within 24 months of the initial investment by the Fund.
3. The Fund promotes adherence to and conducting business activities in accordance with global environmental and societal norms by avoiding investment in companies that violate them. The Investment Manager assesses and excludes companies for violations against the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labour standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. This helps to avoid investments that, at a minimum, do not meet social and environmental norms related to human rights, labour, anti-corruption and environmental degradation.

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

The Fund has the following sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund:

1. The Fund has no exposure to companies excluded by the binding exclusion criteria (which are subject to the thresholds set out in the section entitled '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*' below) related to: (i) involvement in the production of controversial weapons; (ii) cultivation or production of tobacco and non-certified palm oil; (iii) thermal coal mining or arctic drilling or oil sands with no transition plan and (iv) fossil fuels with no transition plan within 24 months of the initial investment by the Fund.
2. The Fund has no exposure to companies excluded due to violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises.
3. Companies that score low using the Investment Manager's proprietary SDG Scoring framework (e.g. the lowest score of -9/-10 in our framework of +10 to -10) are excluded.

In order to be classified as a sustainable investment in which the Fund commits to invest 20% of its Net Asset Value:

1. companies must achieve positive SDG Scores (>+0); and
2. Green, Social and Sustainability and Sustainability-Linked Bonds in which the Fund invests a minimum of 5% of its Net Asset Value must comply with the ICMA Principles.

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

The Fund will invest a minimum of 5% of its Net Asset Value Green, Social and Sustainability and Sustainability-Linked Bonds that comply with the ICMA Principles.

The objective of the Fund's sustainable investments in:

- (i) Green Bonds is to enable capital-raising and investment for new and existing projects with environmental benefits that comply with the Green Bond Principles and which seek to support issuers in financing environmentally sound and sustainable projects, foster a net-zero emissions economy and protect the environment;
- (ii) Social Bonds is to support the use of proceeds by bonds that raise funds for new and existing projects with positive outcomes that comply with the Social Bond Principles and which seek to support issuers in financing socially sound and sustainable projects that achieve greater social benefits; and
- (iii) Sustainability Bonds is to support the use of proceeds to finance or re-finance a combination of both green and social projects that comply with the Sustainability Bond Guidelines. Sustainability-linked bonds aim to further develop the key role that debt markets can play in funding and encouraging companies that contribute to sustainability (from an environmental and/or social and/or governance perspective) and which comply with the Sustainability-Linked Bond Principles.

As outlined above, the Fund may invest in European Green Bonds and green bonds that are not European Green Bonds.

The Fund will also make sustainable investments in investee companies that aim to contribute to the UN SDGs, that have both social and environmental objectives.

The objective of the Fund's sustainable investments in investee companies that aim to contribute to the UN SDGs is to promote and support the underlying goals of the UN SDGs. The UN SDGs are a collection of 17 interlinked global goals designed to achieve a more sustainable future for all.

The 17 goals are: (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well-being, (4) Quality Education, (5) Gender Equality, (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (8) Decent Work and Economic Growth, (9) Industry, Innovation and Infrastructure, (10) Reducing Inequality, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, (13) Climate Action, (14) Life Below Water, (15) Life On Land, (16) Peace, Justice, and Strong Institutions, and (17) Partnerships for the goals.

Each goal has a specific target to be achieved between 2020 and 2030.

The Investment Manager has developed a proprietary SDG Scoring framework based on the UN SDGs through which an issuer's contribution to such SDGs is determined through a 3-step process. This process starts with a sector baseline on which a company's products are analysed to examine contribution to the society and environment. Further, the operational processes involved in creating such products is checked along with any controversies/litigation claims and remediation actions taken which are perused before a final SDG Score is determined.

The final score ranges between high negative (-10) to high positive (+10) and only those issuers which achieve positive SDG Scores (>+0) are regarded as sustainable Investments.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments do no significant harm to any environmental or social sustainable investment objective by considering a principal adverse impact and aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, sustainable investments score positively on the Investment Manager's SDG Scoring framework, and therefore do not cause significant harm.

**How have the indicators for adverse impacts on sustainability factors been taken into account?**

Within the meaning of SFDR, "sustainability factors" means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters with reference to the principal adverse indicators (PAI) indicators set out in the SFDR Delegated Regulation.

For sustainable investments that are Green, Social and Sustainability Bonds, significant harm is avoided by the application of the Investment Manager's Green, Social and Sustainability Bonds eligibility frameworks.

The Investment Manager's SDG Scoring framework is considered for the analysis of the Fund's other sustainable investments determined by positive scores on the framework.

The Investment Manager's SDG Scoring framework assesses the contribution of companies to the SDGs. PAI indicators are either directly or indirectly included in the SDG Scoring framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators. Specifically, the Investment Manager takes into account all 14 mandatory PAI indicators to determine whether significant harm is being caused using the SDG framework and third-party provider data. These PAIs are:

PAI 1: GHG Emissions, total GHG emissions including Scope 1, 2 and 3

PAI 2: Carbon Footprint

PAI 3: GHG Intensity of Investee Companies

PAI 4: Exposure to Companies in the Fossil Fuel Sector

PAI 5: Share of non-renewable energy consumption and production

PAI 6: Energy consumption intensity per high impact climate sector

PAI 7: Activities negatively affecting biodiversity-sensitive areas

PAI 8: Emissions to water

PAI 9: Hazardous waste and radioactive waste ratio

PAI 10: Violation of UN Global Compact Principles and OECD Guidelines for Multination Enterprises

PAI 11: Lack of Process and Compliance Mechanisms to Monitor Compliance with UN Global Compact and OECD Guidelines for Multinational Enterprise

PAI 12: Unadjusted gender pay gap

PAI 13: Board Gender Diversity

PAI 14: Exposure to Controversial Weapons, Antipersonnel Mines, Cluster Munitions, Chemical Weapons, and Biological Weapons

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both the Investment Manager's Exclusion Policy and the Investment Manager's SDG Scoring framework.

The Investment Manager's Exclusion Policy includes an explanation of how the Investment Manager acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. The Investment Manager continuously screens its investments for breaches of these principles. In case of a breach, the company will be excluded or engaged with and is not considered a sustainable investment.

The Investment Manager's SDG Scoring framework screens for breaches on these principles in the final step of the framework. In this step, the Investment Manager checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG Score for the company, meaning it is not a sustainable investment.



**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.

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, the Fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Regulation.

Pre-investment, the following principal adverse impacts on sustainability factors are considered:

- Via the applied normative and activity-based exclusions, the following PAIs are considered:
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1)
  - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
  - Activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1). The consideration of this PAI is currently restricted to applying exclusions to breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity.
  - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1)
- Via the ESG integration process, the following PAIs are considered:
  - All indicators related to GHG emissions (PAI 1-6, Table 1, PAI 4, Table 2)
  - Water and waste indicators (PAI 7-9, Table 1)

☐ No

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

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

The Fund invests primarily in a diversified portfolio of non-government global fixed income securities rated Investment Grade across a broad spread of sectors and countries seeking to capitalise on primarily improving credit fundamentals for a particular sector or company.

As noted above, the Fund invests across a broad spread of companies and sectors and countries seeking to capitalise on improving credit fundamentals for a particular sector or company. The Investment Manager's investment process incorporates "top down" and "bottom up" processes to construct the portfolio. The "top down" assessment focusses on the phase of the credit market and the overall global economic environment and allows the Investment Manager to assess, in respect of an investment, the portfolio beta (i.e. the volatility or risk compared to the Benchmark), the sector choice and other more cyclical variables.

Once the Investment Manager has optimised the "top down" assessment, it undertakes credit research to identify bonds with improving credit fundamentals or attractive credit spreads. This is the Investment Manager's "bottom up" selection process. The Investment Manager employs a rigorous credit research process for the companies in which the Fund invests. Every investee company is assessed on a business, strategy, sustainability, corporate structure and financials five pillar framework. Each pillar is concluded with a qualitative assessment (very strong, strong, average, weak and very weak) of the section. There is no fixed weighting or importance of the sections among each other. At the end of the credit committee

the analysts determine a C Score (ranging from +3 to -3) which reflects the fundamental credit quality over the next twelve months given the credit rating and across sector. The Investment Manager's reason to determine a C Score given the rating and across sectors is because a higher rated credit is fundamentally stronger than a lower rated credit. Separately to this the credit committee decides on the relative value of the issuer and its issues. This way the credit report provides the tool to have a thorough discussion to protect against experiencing defaults or credit losses and that is what is central to the investment process.

The Investment Manager may diversify the portfolio to enhance credit quality by investing in Investment Grade fixed income securities (including ABS) as set out in the investment policy above. For instance, the Investment Manager may allocate to Investment Grade fixed income securities (such as longer dated Investment Grade bonds, Investment Grade financials or subordinated securities of Investment Grade companies) if the spread premium is more attractive relative to High Yield securities. The Investment Manager may also invest in ABS (particularly ABS rated AAA) to further diversify the Fund's portfolio and reduce risk by investing in instruments that do not exhibit strong correlation versus the Fund's investments in other fixed income securities, as outlined above, in addition to the Fund's investments in liquid assets, such as cash and cash equivalents.

The Investment Manager's approach to incorporating sustainability considerations focuses on 'Transition thinking'. This approach involves assessing whether each investee company is on track to become part of a more sustainable economy. Examples of making progress to a more sustainable economy are through climate change mitigation that contributes to the Paris Agreement (to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C) or contributing to achieving the UN Sustainable Development Goals. The Investment Manager believes that Transition thinking differs from traditional ESG thinking. ESG thinking makes one better informed about a company using often historical data analysis and reflects the financial materiality factors that impact the company. Transition thinking focuses on the combination of the current product impact of the company and uses more forward-looking elements like investing in green capital expenditures (e.g. via Green Social and Sustainability Bonds) or creating green patents to make progress on the pathway to a more sustainable economy. In practice it means that the Investment Manager specialises in incorporating negative externalities (e.g. pollution or carbon cost) into cash flow modelling and credit research. This last step of analysing the financial impact of the Transition on credit worthiness of the company is crucial. The Investment Manager realises investors want a good return and therefore it believes its assessment and selection of the winners in the Transition enhances alpha and return potential. The Investment Manager believes Transition thinking enhances returns since the investee companies that are better prepared for the Transition will face less stranded assets or assets that are less profitable or less economical or technically have a shorter life (higher depreciation). The Investment Manager expects that transitioning companies show less cash flow interruptions and better quality and hence are better prepared for the future. Overall, the combination of ESG integration with the more forward-looking Transition thinking seeks to drive alpha and creates a portfolio which is more geared to the sustainable economy.

The Investment Manager's Transition framework dissects current economic activities (both what the product range is and an assessment how the company produces) into a series of predefined economic activities in order to be able to compare companies. The Investment Manager defines KPIs associated with Nature, the Economy and Society which it calls Transition Dimensions.

In practice the Investment Manager has the following proprietary investment frameworks at its disposal. The first is the SDG Scoring framework as described

below. This framework maps the company to the 17 SDGs as defined by the United Nations and set out in Annex I below. The second framework is the Transition Beta Scoring. This framework combines current product impact, forward looking green investments and the financial health of the company to determine a measurement of how much the company is geared towards the Transition. The third is the Resource Efficiency framework which drives (equity) alpha via assessing the most resource efficient companies and is also relevant for debt investors. A weak or dirty or negative contributing activity will not be made whole by a good activity. As soon as there is a material negative contributing activity the total score of the SDG framework will turn negative.

The Resource Efficiency Factor Score is generated through the Osmosis Model of Resource Efficiency or 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. 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 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 or does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero-factor score.

The Investment Manager excludes issuers that are listed on any sanctions lists published or maintained by the United Nations, the United States of America, the Netherlands, or the European Union. The Investment Manager also seeks to apply wider principles-based exclusions on companies where the Investment Manager in its discretion determines, based on information provided by a third-party data provider as outlined above, the company:

- (i) is in breach of any of the International Labour Organization (ILO) standards, United Nations Guiding Principles (UNGP), United Nations Global Compact (UNGC) or the organisation for economic co-operation and development (OECD) guidelines for multinational enterprises;
- (ii) is in breach of the Investment Manager's good governance test and anti-money laundering criteria;
- (iii) has involvement in controversial weapons production which represents 10% of revenue or greater and is in breach any of the following treaties or legislation;
  - (i) the Ottawa Treaty (1997) on anti-personal mines,
  - (j) the Convention on Cluster Munitions (1997) on cluster munition,
  - (k) the Chemical Weapons Convention (1997),
  - (l) the Biological Weapons Convention (1997),

- (m) the Treaty on the Non-Proliferation of Nuclear Weapons (1996),
- (n) the Market Abuse Regulation,
- (o) the Belgian Loi Mahoux on uranium weapons, or
- (p) Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons (together the “**Treaties**”); and

(iv) is a company with involvement in the cultivation or production of tobacco or non-certified palm oil which represents 10% of revenue or greater.

As described above in response to “*What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*”, the Investment Manager also utilises its SDG Scoring framework in relation to investing in sustainable investments as part of its investment strategy. The SDG Scoring framework is also used in relation to promotion of E/S characteristics such that companies that score a -9/-10 on the Investment Manager’s proprietary SDG Scoring framework are excluded as set out below.

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

#### **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 Fund has the following binding elements used to select the investments to attain each of its E/S characteristics:

1. The Fund has no exposure to companies involved in the following activities excluded by exclusion criteria which are subject to thresholds set out as follows (i) companies involved in the production or involvement in controversial weapons which represents 10% of revenue or greater and/or which are in breach of the Treaties; (ii) companies involved in the production or cultivation of tobacco and non-certified palm oil which represents 10% of revenue or greater; and (iii) companies involved in thermal coal mining or arctic drilling or oil sands with no transition plan.
2. The Fund will only invest in fossil fuel companies with a transition plan within 24 months of the initial investment with respect to the Fund’s allocation of investments used to attain the E/S characteristics promoted by the Fund.

As disclosed below in the section “*What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?*” the Fund’s overall investment in fossil fuel companies without a transition plan within 24 months of the initial investment by the Fund are limited to 5% of the Fund’s Net Asset and such companies are considered “#2Other” assets. In addition, where such companies involved in fossil fuels do not have a transition plan after 24 months of the Fund’s initial investment, the Investment Manager will take steps to divest from such companies where it considers this appropriate and in accordance with the Fund’s investment objective.



3. The Fund excludes investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises.
4. The Fund invests a minimum of 5% of its Net Asset Value in Green, Social and Sustainability and Sustainability-Linked Bonds which are included in the Fund's allocation to sustainable investments.
5. In order to be classified as a sustainable investment in which the Fund commits to invest 20% of its Net Asset Value companies must achieve positive SDG Scores (>+0).
6. The Fund's investments in companies that score a -9/-10 on the Investment Manager's proprietary SDG Scoring framework are excluded from the allocation of investments used to attain the E/S characteristics promoted by the Fund.

As disclosed below in the section "*What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?*" the Fund's overall investment in companies that score a -9/-10 on the Investment Manager's proprietary SDG Scoring framework are limited to 5% of the Fund's Net Asset Value and categorised as "#2Other" assets.

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

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

**Good governance**

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

**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 Fund whereby prospective investee companies are screened and assessed and removed from the investment universe where their practices fail to meet the minimum standards of its good governance policy. In particular, companies flagged by the UNGC exclusion list will be excluded entirely from the Fund. The Investment Manager incorporates analysis of the investee company's good governance practices as a natural part of its credit research. It does this utilising minimum requirement criteria assessing against "corruption and ethical issuer behaviour" through analysis of compliance with the UNGC principles on anti-bribery and corruption, "employee stakeholder management including fair remuneration of staff" through compliance with UNGC principles on labour relationships and "weak corporate structures and reporting" through analysis of reporting of financial statements on time and unqualified audited financial statements. The Investment Manager has soft controls which it utilises as part of its good governance policy assessing companies with active legal or governance or shareholder rights issues or issues associated with tax, accounting, and delays on transparency. The Investment Manager undertakes its own research alongside publicly

available and external data provider research to ensure that all companies included in the portfolio exhibit good governance practises.



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

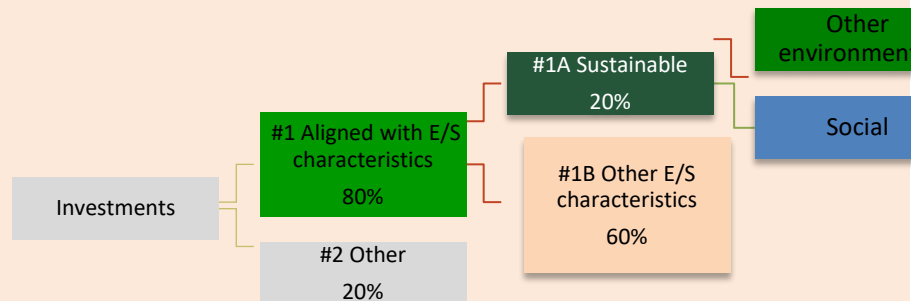
At least 80% of the investments are aligned with the E/S characteristics of the Fund. The Fund commits to make a minimum of 20% of its Net Asset Value in sustainable investments, measured by positive scores via the Investment Manager's SDG Scoring framework as described above. The Fund's sustainable investments may have both separate and dual non-Taxonomy aligned environmental and social objectives. The Fund's Net Asset Value allocation to each of the social, environmental and dual social and environmental sustainable investments will be disclosed in the Fund's SFDR periodic report in the financial statements.

The investments in the category “#2Other”, make up a maximum of 20% of the Fund's Net Asset Value. These “#2Other” assets are mostly in cash, cash equivalents and derivatives or investments that comprise of SDG-9/-10 and or fossil fuel companies without a transition plan within 24 months of the Fund's initial investment, as further described below. The planned asset allocation is monitored continuously and evaluated on a yearly basis.

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

Taxonomy-aligned activities are expressed as a share of:

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



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

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

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

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

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

The Fund does not make use of derivatives to attain the environmental or social characteristics promoted by the financial product. The Fund may make use of derivatives for hedging, liquidity management and efficient portfolio management as well as investment purposes in the global fixed income, money market, interest rates and currency markets. Where the Fund uses derivatives, the asset underlying the relevant derivative shall comply with the investment policy of the Fund.

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

The minimum extent to which the 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?**

☐ 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.*

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.

### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned

100%

### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned

100%

This graph represents 100% of the total investments.

\* 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?

Green bonds may invest (part of) their use of proceeds in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. In addition, the Fund intends to make sustainable investments measured as positive scores via the Investment Manager's SDG Scoring framework. Among those could be investments with environmental objectives that do not qualify as Taxonomy-aligned. The environmental objectives of the Fund are attained by investing in companies that score positively on SDG 12 (Responsible consumption and production), SDG 13 (Climate action), SDG 14 (Life below water), and SDG 15 (Life on land) in the Investment Manager's SDG Scoring framework.

The minimum share of sustainable investments with an environmental objective that are not aligned with EU Taxonomy is 10%.

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

Social, sustainability or sustainability-linked bonds may invest (part of) their use of proceeds in economic activities that contribute to a social objective. In addition, the Fund intends to make sustainable investments, measured as positive scores via the Investment Manager's SDG Scoring framework. Among those could be investments with social objectives. The social objectives of the Fund are attained by investing in companies that score

positively on SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 3 (Good health and well-being), SDG 4 (Quality education), SDG 5 (Gender equality), SDG 6 (Clear water and sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequalities), SDG 11 (Sustainable cities and communities), SDG 16 (Peace, justice and strong institutions) and SDG 17 (Partnerships for the goals), in the Investment Manager's SDG Scoring framework.

The minimum share of socially sustainable investments is 10%.



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

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. Companies involved in fossil fuels with no transition plan within 24 months of the initial investment and companies that score -9/-10 on the Investment Manager's SDG Scoring framework are included as "#2Other" assets and are each limited to 5% of the Fund's Net Asset Value. Such investments are included as "#2Other" assets in the Fund for performance reasons.

As outlined in the section above entitled *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product:*

- the Fund will only invest in fossil fuel companies with a transition plan within 24 months of the initial investment in order to attain the Fund's allocation of investments to E/S characteristics. Fossil fuel companies without a transition plan within 24 months of the initial investment by the Fund are limited to 5% of the Fund's Net Asset and are considered "#2Other" assets. In addition, where such companies involved in fossil fuels do not have a transition plan after 24 months of the Fund's initial investment, the Investment Manager will take steps to divest from such companies where it considers this appropriate and in accordance with the Fund's investment objective; and
- the Fund's overall investments in companies that score a -9/-10 on the Investment Manager's proprietary SDG Scoring framework are limited to 5% of the Fund's Net Asset Value and categorised as "#2Other" assets.

No minimum environmental or social safeguards are implemented in respect of these exposures. However, as noted above where companies involved in fossil fuels do not have a transition plan after 24 months of the Fund's initial investment, the Investment Manager will take steps to divest from such companies where it considers this appropriate and in accordance with the Fund's investment objective.

**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?**

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

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

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

To access the information, investors should select the applicable geographic location and investor type and navigate to the applicable strategy in the list provided.

