

Mitteilung an alle Anteilseigner der DNCA Invest Fonds:

Anbei finden Sie die Information der Gesellschaft, folgende Fonds sind betroffen:

LU0641748271 DNCA Invest Eurose - AD DIS

LU0284394235 DNCA Invest Eurose - A CAP

Details können Sie der beigefügten Anlage entnehmen.

DNCA INVEST

Société d'investissement à capital variable

Registered Office: 60, avenue J.F. Kennedy L-1855 Luxembourg, Grand-Duchy of Luxembourg,
R.C.S. Luxembourg B 125.012
(the "Fund")

NOTICE TO THE SHAREHOLDERS OF DNCA INVEST - EUROSE

Luxembourg, 30 September 2021

Dear Shareholder,

The board of directors of the Fund (the "**Board of Directors**") would like to inform you of important changes relating to the Fund's sub-fund DNCA INVEST - EUROSE (the "**Sub-Fund**").

Terms not otherwise defined in this notice will have the same meaning as those defined in the Fund's current prospectus (the "Prospectus").

The Board of Directors has decided to update the investment policy of the Sub-Fund in order to enhance the disclosures related to (i) the Sub-Fund's investment universe and (ii) the responsible investment policy as applied by the Fund's management company.

This update involves an amendment of (i) the investment objective and (ii) the investment strategy applicable to the Sub-Fund (the "**Changes**").

(i) Investment Objective

As part of the disclosure enhancement of the responsible investment policy as further described in section (ii) below, the investment objective of the Sub-Fund will be amended as follows (changes are underlined below):

"The Sub-Fund seeks to outperform the 20% EUROSTOXX 50 (Bloomberg ticker: SX5T Index) + 80% FTSE MTS Global (Bloomberg ticker: EMTXGRT Index) composite index, calculated with dividends reinvested, over the recommended investment period. Investors' attention is drawn to the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria."

(ii) Investment strategy

The Board of Directors has decided to update as follows the investment strategy of the Sub-Fund in order to add further details to the description of the responsible investment policy as already applied by the Management Company (changes are underlined below):

"The overall investment strategy of the Sub-Fund is to seek to enhance the return on a wealth investment. Through active management of a portfolio of Euro denominated equities and fixed income products. It aims to provide an alternative to investments in bonds and convertible bonds (directly or through mutual funds) as well as an alternative to Euro

denominated funds benefitting from a capital guarantee. The Sub-Fund however does not benefit from a guarantee on capital invested.

The Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR.

The Sub-Fund considers, at least, the following objectives, and proceed to the reporting of this ESG indicators as part of the monitoring and the evolution of the portfolio's ESG performance:

- Environment: GHG emissions, airborne pollution, waterborne pollution, water consumption, land use, etc.
- Social: compensation, gender inequality, health and safety, child labor, etc.
- Governance: corruption and bribery, tax avoidance, etc.
- Global ESG quality rating.

The initial investment universe includes:

- Equities and related securities denominated in Euro from issuers having their registered office in European countries with large capitalization (e.g. above 1 billion Euros, namely up to 1500 securities (equities or related securities with capitalization under 1 billion Euros may not exceed 5% of the net asset of the Sub-Fund).
- Corporate debt securities denominated in Euro without rating constraint or not rated from European countries with an initial issue above 100M€, namely up to 1500 issuers (debt securities with a high yield rating or not rated may not exceed 50% of the net assets of the Sub-Fund)
- Government bonds or related securities denominated in Euro from UE members.
- Incidentally, equities and related securities and corporate debt securities denominated in Euro issued from non-OECD countries.

From this initial investment universe, are excluded issuers with controversies or in severe breach to UN Global Compact Principles (example: human rights or fight against corruption) based on the internal approach. Moreover, a strict controversial weapons analysis exclusion policy is implemented and is available on the website of the Management Company (<https://www.dnca-investments.com/lu/areas-of-expertise/sri>).

In addition, with the management style as described above, the Sub-Fund is managed taking into consideration responsible and sustainable principles. In this way, the investment process and resulting stock and bond picking take into account internal scoring with respect to both corporate responsibility and sustainability of companies based on an extra-financial analysis through a proprietary rating model (ABA, Above & Beyond Analysis) developed internally by the Management Company. This model is centered on four pillars as further detailed below (i) corporate responsibility, (ii) sustainable transition, (iii) controversies and (iv) dialogue and engagement with issuers.

The risk exists that the models used to make these investment decisions do not perform the tasks they were designed to. The use of the proprietary tool relies on the experience, relationships and expertise of the Management Company.

The Sub-Fund integrates also ESG criteria with regard to direct investments including the definition of the investment universe and the reporting for all companies with the "best in universe" method. There may be a sector bias.

Corporate responsibility is a useful information's pool used to anticipate companies' risks especially looking at the interplay with their stakeholders: employees, supply chains, clients, local communities, and shareholders..., regardless of the sector of activities.

The analysis of corporate responsibility is broken down into four aspects: shareholders responsibility (board of directors and general management, accounting practices and financial risks, etc.), environmental responsibility (environmental footprint of the production chain and product life cycle or responsible supply, energy consumption and water consumption, company CO2 emissions and management of waste, etc.), responsibility towards workers and society (ethics and working conditions of the production chain, treatment of employees – safety, well-being, diversity, employee representation, wages, quality of products or services sold, etc.). Each aspect is rated independently and weighted in accordance to how material it is for the company. Each dimension is broken down into a set of criteria, which are around 25 in total. This in-depth analysis, combining qualitative and quantitative research leads to a rating out of 10.

Moreover, the monitoring of the level of controversy is taken into account directly in the corporate responsibility and may affect the rating.

~~The sustainable transition focuses on the positive impacts' companies generate through their activities, products and services. The aim is to identify whether a company contributes to the sustainable transition. In the model, this pillar has been broken down into 5 major themes: demographic transition, medical transition, economic transition, lifestyle transition and ecological transition. Around 34 activities which contribute to the sustainable transition have been identified and integrated into the model.~~

The analysis and the internal rating are based on factual data published by the companies which may be incomplete or inaccurate, as well as continuous dialogue with company managers.

A strict controversial weapons analysis exclusion policy is implemented and is available on the website of the Management Company (<https://www.dnca-investments.com/lu/areas-of-expertise/sri> <https://www.dnca-investments.com/isr/Politique%20exclusion%20armements-FR-BE%2030%2010%2018.pdf>).

Based on the conviction that the improvement of the best practice of issuers selected by the Management Company contributes to protect the client's investment value, the management team has put in place a dialogue and engagement approach which aim to improve the consideration of ESG issues (corporate responsibility and sustainable transition) of issuers selected. This approach is based on a continuous interaction with issuers and the progress and achievements of issuer's engagement, through the analysis made in the proprietary tool of the Management Company. Interactions with issuers and site visits are the heart of our investment process and aim to contribute to the general enhancement of market practices and transparency on ESG issues.

More information about the proprietary rating model is available on the website of the Management Company (<https://www.dnca-investments.com/lu/areas-of-expertise/sri> <https://www.dnca-investments.com/isr/Politique%20d%27investisseur%20responsable-EN%2030%2010%2018.pdf>).

With respect to investments in government bonds: this asset class is subject of an extra-financial analysis in 7 dimensions comprising:

- Governance: Rule of law, Respect for freedoms, Quality of institutions and the regulatory framework;
- Politics: Democratic life;
- Health: Demography and Quality of life;
- Education and training;
- Social cohesion: Inequalities, Employment, Social protection;
- The climate: risks and energy policy;
- Ecosystems: resources and protection.

All investments in this asset class are subject to an in-depth analysis of these dimensions and of a rating that is taken into account in the investment decision.

The result of the SRI approach will be binding on the Management Company.

~~The Sub-Fund is managed taking into consideration the requirements of the French SRI label, which entails the exclusion of especially involves proceeding to the extra-financial analysis on at least 90% of the net assets of the Sub-Fund and excluding at least 20% of the worst share issuers from its investment universe. As such the Sub-Fund will not invest in these issuers. The Management Company has also signed the AFG-FIR-EUROSIF transparency code for SRI funds that have obtained a Label for the general public.~~

As at the date of the latest update of the Prospectus, the Sub-Fund does not benefit from the French SRI Label.

The investment process is based on the following three stages:

- Selection of the investment universe combining a financial and extra-financial approach in particular by excluding issuers which have a high-risk profile in terms of corporate responsibility (rating below 2/10 in the ESG proprietary tool) or exposed to major controversies,

- *asset classes' allocation depending on the analysis of the investment environment and the risk appetite of the management team, and*
- *the selection of securities based on a fundamental analysis from the point of view of the minority shareholder and/or bondholder, taking into account ESG criteria and the valuation of instruments.*

Strategic orientations regarding responsible investing are decided by an ESG committee within the Management Company."

There will be no other changes to the Sub-Fund's investment policy. In particular, the other characteristics of the Sub-Fund remain unchanged.

The Changes will be included in the next update of the Prospectus and the KIIDs of the Sub-Fund which may be obtained free of charge upon request at the Fund's registered office at the address stated above.

Our sales team remain at your disposal should you need additional information about the Changes.

Yours faithfully,

The Board of Directors
DNCA INVEST