

LOYS Sicav
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L-5365 Munsbach
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Notification to investors of

LOYS Sicav – LOYS Global und
(Share class P: WKN:926229 / ISIN: LU0107944042)
(Share class I: WKN: A0LFXD / ISIN: LU0277768098)
(Share class PAN: WKN: A0M5SE / ISIN: LU0324426252)
(Share class CHF: WKN: A1XFPL / ISIN: LU1046407026)
(Share class ITN: WKN: A2ARPQ / ISIN: LU1490908941)

LOYS Sicav - LOYS Aktien Global
(Share class P: WKN: A1J9LN / ISIN: LU0861001260)
(Share class I: WKN: A1J9LP / ISIN: LU0861001344)
(Share class S: WKN: A1J9LQ / ISIN: LU0861001427)
(Share class ITN WKN: A1XFPM / ISIN: LU1046407299)

(„Sub-Fund“)

Shareholders of the Sub-Funds are hereby notified of the following adjustment:

1. Change in investment policy in relation to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ('SFDR')

The investment policy is hereby supplemented for each of the above-mentioned Sub-Fund by the following elements:

„This Sub-Fund is a financial product that is used to promote ecological, social or other characteristics and qualifies in accordance with Article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector ('SFDR'). The Sub-Fund does not, however, seek to be a sustainable investment within the meaning of the EU Taxonomy Regulation.

In selecting the investments, the fund manager chooses various sustainability indicators in order to assess the suitability of the investments in respect of the contribution of the advertised ecological and social factors. The sustainability indicators are obtained from the external data provider MSCI. Within their role of fund management, i.e. of selecting the investments and also managing existing investments, the fund manager makes the selection using the following three elements:

1) Exclusion criteria:

At least 70% of the net assets of the Sub-Fund are invested in shares and bonds whose issuers do not exceed the limit values of the following relevant exclusion criteria:

Exclusion criteria	Limit value
Turnover of an issuer from the manufacture and/or sale of armaments	≤10%
Turnover from the production or mining and/or sale of coal	≤30%
Turnover from the manufacture and/or sale of banned or controversial weapons	0%
Turnover from the production and/or sale of banned weapons	0%
Turnover from the production and/or sale of tobacco	≤5%
Serious violations of the UN Global Compact (with no positive outlook)	
Serious violations of democracy and human rights (Freedom House Index) for state issuers.	

2) ESG rating:

In a further step, the issuers of stocks and shares that comply with the exclusion criteria necessary for achieving the advertised ecological and social factors are assessed in terms of their MSCI ESG rating.

MSCI determines an ESG rating on the basis of identifying and evaluating significant ESG opportunities and risks relevant to issuers in a given sector. The MSCI rating lies on a scale between AAA (best rating) to CCC (worst rating).

At least 51% of the net assets of the Sub-Fund must both satisfy the exclusion criteria and achieve a minimum ESG rating of BB.

3) Contribution to UN Sustainable Development Goals

Issuers of stocks and shares that satisfy both of the above assessment steps in regard to the ESG/sustainability analysis are next evaluated in terms of their contribution to one of the 17 UN Sustainable Development Goals ('UN SDGs'). In the course of this assessment, the issuers are first evaluated in terms of a potential positive contribution to one of the 17 UN SDGs. Where a specific minimum contribution can be ascertained, the issuers are assessed in a further step in regard to their compliance with the 'do no significant harm' ('DNSH') principle. This means that the issuer must not have a negative impact on any of the 17 UN SDGs.

The evaluations of these two steps, positive contribution and DNSH, are carried out on the basis of information from the MSCI module 'MSCI Sustainable Impact Metrics'. For the evaluation of both steps, positive contribution and compliance with the DNSH principle, the 'SDG Net Alignment Score' sustainability indicator is employed. This indicator measures the contribution of the issuer for each of the UN SDGs on a scale from 'Strongly Misaligned' (most negative) to 'Strongly Aligned' (most positive). Issuers are required to make a positive contribution in that they achieve 'Aligned' or 'Strongly Aligned' for at least one UN SDG. At the same time, they must not be rated 'Misaligned' or 'Strongly Misaligned' in relation to the other UN SDGs.

Finally, all issuers of stocks and shares that satisfy the minimum ESG rating criterium are examined for compliance with particular standards and codes by means of the information provided by MSCI on UN Global Compact compliance, human rights compliance and labour compliance. It is a requirement that an issuer is not and has not been involved in any significant controversies in the last three years.

Issuers of stocks and shares that satisfy all three steps are qualified as sustainable investments pursuant to article 2 (17) of the Sustainable Finance Disclosure Regulation (SFDR).

At least 20% of the net Sub-Fund assets must qualify as sustainable investments.

At the same time, the Sub-Fund examines the principal adverse impacts ('PAI') within the framework of the annual report of the fund.'

2. Adjustment of the investment policy of the Sub-Fund LOYS Sicav – Loys Global in respect of the following sentence:

The following investment limit:

'Depending on the financial market situation, the Sub-Fund may also, in the short term, hold cash and cash equivalents or invest in similar assets, up to a rate of 40%.'

is **replaced** by the following investment limit:

The Sub-Fund may contain up to 20% liquid assets, depending on the financial market situation. That limit may be temporarily exceeded for a period which is absolutely necessary, if circumstances require this due to exceptional market conditions and if exceeding the limit is justified by the interests of investors, for example, in very serious circumstances such as the attacks of 11 September 2001 or the insolvency of Lehman Brothers in 2008.

Liquid assets are demand deposits that are available at all times at a bank in order to make current and extraordinary payments, as well as payments relating to the disposal of permissible assets in accordance with Article 41 (1) of the Law of 2010.

Furthermore, for liquidity management purposes, the Sub-Fund may hold deposits at sight in the form of overnight deposits and deposits at notice in the meaning of Article 4 No. 1 (f) of the Management Regulations and invest in money market instruments in the meaning of Article 4 No. 1 of the Management Regulations.

3. Adjustment of the respective investment policies of the Sub-Fund LOYS Sicav – Loys AKTIEN Global in respect of the following sentence:

The following investment limit:

'Depending on the financial market situation, the Sub-Fund may also, in the short term, hold cash and cash equivalents or invest in similar assets, up to a rate of 20%.'

is **replaced** by the following investment limit:

The Sub-Fund may contain up to 20% liquid assets, depending on the financial market situation. That limit may be temporarily exceeded for a period which is absolutely necessary, if circumstances require this due to exceptional market conditions and if exceeding the limit is justified by the interests of investors, for example, in very serious circumstances such as the attacks of 11 September 2001 or the insolvency of Lehman Brothers in 2008.

Liquid assets are demand deposits that are available at all times at a bank in order to make current and extraordinary payments, as well as payments relating to the disposal of permissible assets in accordance with Article 41 (1) of the Law of 2010.

Furthermore, for liquidity management purposes, the Sub-Fund may hold deposits at sight in the form of overnight deposits and deposits at notice in the meaning of Article 4 No. 1 (f) of the Management Regulations and invest in money market instruments in the meaning of Article 4 No. 1 of the Management Regulations.

Fund holders who are not in agreement with the above adjustment have the right to request the free redemption of their shares by 5 September 2022 in accordance with the cut-off times of the currently valid Sales Prospectus.

The change comes into effect from 6 September 2022.

The valid Sales Prospectus of the Fund and the Key Investor Information Document are available free of charge at the head office of the Management Company, the depositary, the distribution agent and all contact points.

Munsbach, 5. August 2022

The Board of Directors of LOYS Sicav