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Publication in accordance with Article 10 of regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial service sector.

NOTIFICATION TO THE SHAREHOLDERS OF

LOYS SICAV

WITH THE SUB-FUND

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)

This information is published in accordance with Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosure obligations in the financial services sector for the investment fund „**LOYS SICAV**“. **LOYS SICAV – LOYS AKTIEN GLOBAL** („sub-fund“) is a financial product which are used to advertise ecological or social features, among other things, and qualify in accordance with Article 8 (1) of regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (“SFDR”).

This Sub-Fund is a financial product promoting, inter alia, environmental or social features and qualifies under Article 8(1) of Regulation (EU) 2019/2088 on sustainability disclosure requirements in the financial services sector (“SFDR”). However, the Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation.

As supplement and while taking due account of article 18 of the Instruments of Incorporation, in accordance with the principle of risk diversification, the Sub-Fund invests a minimum of 60% of the assets in shares which qualify as equity participations within the meaning of Section 2 (8) of the German Investment Tax Act.

The Sub-Fund's investment policy also provides for the acquisition of shares of companies with low market capitalisation. Due to the low market capitalisation, the shares of these companies may be less liquid and therefore more difficult to sell in some cases.

The fund manager uses various sustainability indicators for the selection of investments, in order to be able to assess the suitability of the investments in terms of the contribution of the advertised environmental and social characteristics. The sustainability indicators are sourced from the external data provider MSCI. The fund manager applies the following three elements in the context of fund management, i.e. in the selection of investments, as well as the management of existing investments:

1) Exclusion criteria:

At least 70% of the Sub-Fund’s net assets are invested in equities and bonds whose issuers do not exceed the limits of the following relevant exclusion criteria:

Exclusion criteria	**Grenzwert**
Turnover from the production and / or distribution of an issuer of military equipment	≤ 10%
Turnover from the production and/or distribution of coal	≤ 30%
Turnover from the production and / or distribution of outlawed or controversial weapons	0%
Turnover from the production and / or distribution of outlawed weapons	0%
Turnover from the production and / or distribution of tobacco	≤ 5%
Serious violations of the UN Global Compact Code (without positive perspective)	

Exclusion criteria	**Grenzwert**
Serious violations of democracy and human rights (Freedom House Index) for state issuers	

2) ESG rating:

The issuers of the equities and bonds that meet the exclusion criteria required to achieve the advertised environmental and social characteristics are assessed in a next step with respect to their MSCI ESG Rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from "AAA" (best rating) to "CCC" (worst rating).

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

3) Contribution to United Nations Sustainable Development Goals (UN SDGs).

The issuers of equities and bonds that have successfully passed both previous assessment steps in the ESG/sustainability analysis will be assessed in a further step with regard to their contribution to one of the 17 United Nations Sustainable Development Goals ("UN SDG"). In the course of this assessment, the issuers are first evaluated with regard to a possible positive contribution to one of the 17 UN SDGs. If a defined minimum contribution can be determined, the issuers are assessed in a next step with regard to compliance with the "do no significant harm principle" ("DNSH"). In this process, the issuer must not have a negative impact on any of the 17 UN SDGs.

The assessment of these two steps, positive contribution and DNSH, is based on information from the MSCI module "MSCI Sustainable Impact Metrics". The sustainability indicator "SDG Net Alignment Score" is used both for the assessment of the positive contribution and for the assessment of compliance with the DNSH principle. This sustainability indicator measures the issuer's contribution to the individual UN SDGs on a scale from "Strongly Misaligned" (most negative contribution) to "Strongly Aligned" (most positive contribution). The emitters must make a positive contribution by achieving "Aligned" or "Strongly Aligned" on at least one UN SDG and at the same time not be "Misaligned" or "Strongly Misaligned" with regard to the other UN SDGs.

Finally, for all issuers of equities and bonds that meet the minimum ESG rating criterion, compliance with certain standards and codes is verified through the UN Global Compact Compliance, Human Rights Compliance and Labour Compliance information provided by MSCI. It is assumed that an issuer has not been involved in any material controversies within the last three years.

Issuers of equities and bonds that meet the requirements of all three steps are qualified as sustainable investments in accordance with Article 2(17) of the Sustainability Disclosure Regulation (SFDR).

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

In addition, the Sub-Fund takes into account the most significant adverse sustainability impacts ("PAI") as part of the Fund's annual reporting.

Furthermore, fixed-income securities of any type, equity-like and pension-like participation certificates, certificates which include shares as an underlying asset, and which are officially listed or traded on stock exchanges, on other regulated markets that are recognised and open to the public and that operate regularly ("regulated markets"), as well as convertible bonds and bonds with warrants can be purchased for the Sub-Fund.

Investments in bonds with a rating lower than B- (S&P or Fitch) or B3 (Moody's) are not permitted. If several ratings are available for a bond, the worst rating is used as a basis. In the event of a downgrade of bonds in the portfolio so that the rating falls below B- (S&P) or B3 (Moody's) and the share of total bonds in the portfolio has not exceeded the threshold of 3% of these bonds, these bonds are tolerated for a second period of up to six months (after downgrade). If these bonds have not been upgraded again during this period, they must be sold by the fund manager within a further period of six months.

If the proportion of the effected bonds exceed the 3% threshold in relevant Sub-Fund portfolio, the Fund manager shall sell the effected bonds within a six months' period.

The purchase of asset backed securities and CoCo bonds as structured products is not permitted (this prohibition does expressly not cover warrants, convertible bonds and bonds with warrants or certificates, and these are permissible as purchasable assets for the Company).

No units in Investment Funds are acquired for the Sub-Fund. The Sub-Fund is thus eligible as a Target Fund.

Also, no repurchase transactions are used in the context of implementing the investment policy. Furthermore, no total return swaps or other assets with similar properties are acquired for the Sub-Fund. In the event of the investment policy changing with regard to the aforementioned instruments, the Sales Prospectus shall be amended accordingly in compliance with Directive 2015/2365/EU of the European Parliament and of the Council of 25 November 2015.

The Sub-Fund may hold up to 20% liquid assets depending on the financial market situation. The aforementioned limit may be exceeded temporarily and for a strictly necessary period, if circumstances so require due to exceptional market conditions and if such an excess is justified taking into account the interests of the investors, such as in very serious circumstances such as the attacks of 11 September 2001 or the bankruptcy of Lehman Brothers in 2008.
Liquid assets are demand deposits available at any time at a credit institution, in order to make current and extraordinary payments, as well as payments in connection with the disposition of permitted assets in accordance with Article 41(1) of the 2010 Law.

In addition, for liquidity management purposes, the Sub-Fund may hold demand deposits in the form of overnight money and demand deposits within the meaning of Article 4 No. 1. f) of the Management Regulations, as well as invest in money market instruments within the meaning of Article 4 No. 1. of the Management Regulations.

Within the context of the global orientation of the Sub-Fund, investments may also be made in emerging markets/emerging economies, whereby no direct investment are made in China (in particular no A shares or B shares) or India (in particular no P notes). Direct investments in Russia are also excluded. Corresponding indirect investments are made via American depositary receipts (ADR), whereby these ADRs must not contain any derivatives and indirect investments in certificates from China are only permissible up to a maximum of 35% of the Sub-Fund assets.

No investments are made in mortgage backed securities (MBS).

For the hedging purposes and for the efficient management of the portfolio, the Sub-Fund may deploy derivatives, certificates with embedded derivative components on shares (discount, bonus, leverage, knock-out certificates, etc.), as well as techniques and instruments in accordance with subsequent annex 1 no. 6. If these techniques and instruments relate to the use of derivatives as defined in subsequent annex 1 no. 1. g), the relevant investment restrictions defined in article 18 of the Instruments of Incorporation and subsequent annex 1 must be taken into account. Moreover, the stipulations of subsequent annex 1 no. 7. pertaining to risk management procedures in the handling of derivatives must be observed.

Sustainability risks of assets

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As a matter of principle, the fund manager makes investment decisions considering sustainability risks.
Sustainability risks can arise from environmental and social impacts on a potential asset as well as from the corporate governance of the issuer of an asset.

The sustainability risk can either represent a separate risk category or have a reinforcing effect on other risk categories relevant to the fund / sub-fund, such as market risk, liquidity risk, credit risk or operational risk. and in this context can substantially contribute to the overall risk of the sub-fund.

Insofar as sustainability risks materialize, they may have a significant impact - up to and including a total loss - on the value and/or return of the assets concerned. Such effects on the asset(s) can negatively influence the overall return of the sub-fund.

By taking into consideration sustainability risks, it is the fund manager’s aim to identify the occurrence of these risks at an early stage and to take appropriate measures to minimise the impact on the affected asset(s) or the overall portfolio of the sub-fund.

The sustainability aspects that can have a negative impact on the return of the sub-fund are divided into environmental, social and governance aspects (hereinafter "ESG"). While environmental aspects include e.g. climate protection, social aspects include e.g. compliance with workplace safety requirements. Consideration of compliance with employee rights and data protection are among the components of the governance aspects. In addition, climate change aspects are also considered, including physical climate events or conditions such as heat waves, rising sea levels and global warming.

Counterparty specific sustainability risks
The risks associated with ESG aspects can have a negative impact on the market value of an asset.

The market value of financial instruments issued by companies that do not comply with ESG standards and / or do not (neither) commit to implementing ESG standards in the future may be negatively affected by materialising sustainability risks.

Such influences on the market value can be caused, e.g. by reputational damage and/or sanctions. Other examples include physical risks and transition risks caused, e.g. by climate change.

Specific operational risks regarding sustainability
The sub-funds or the management company may suffer losses due to environmental disasters, socially induced aspects relating to employees or third parties, as well as due to failures in corporate governance. These events may be caused or exacerbated by a lack of attention to sustainability aspects.

Risk management procedure:

Key risk indicators can be used to assess sustainability risks. The key risk indicators can be of quantitative- or qualitative nature and are based on environmental, social and governance aspects and measure the risk of the aspects under consideration.

Munsbach in September 2022

The Board of Directors of LOYS SICAV