

## 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 – BEYOND INFRASTRUCTURE AND TRANSITION

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 – BEYOND INFRASTRUCTURE AND TRANSITION (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 add further details with respect to the investment universe of the Sub-Fund and enhance the disclosures related to 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 following Index: MSCI Europe Infrastructure Net Index (Bloomberg Ticker: M1EUOINF Index), on the recommended investment term. 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 in relation to (a) the Sub-Fund's investment universe and (b) the description of the responsible investment policy as already applied by the Management Company (changes are underlined below):

*"The Sub-Fund is managed taking into consideration responsible and sustainable principles.*

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

*The initial investment universe, which includes up to 500 infrastructure companies that contribute to the sustainable economic transition, is composed of issuers which may belong to the MSCI Europe Infrastructure Index, the MSCI World Infrastructure Index, the S&P Clean Energy Index and the Stoxx 600 Index. The SRI approach is applied on the selected issuers from the initial investment universe.*

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.

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/srihttps://www.dnca-investments.com/isr/Politique%20exclusion%20armements\\_FR-BE%2030%2010%2018.pdf](https://www.dnca-investments.com/lu/areas-of-expertise/srihttps://www.dnca-investments.com/isr/Politique%20exclusion%20armements_FR-BE%2030%2010%2018.pdf)).

In this way, the investment process and resulting stock picking take into account internal scoring with respect to both corporate responsibility and sustainability of the 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 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.

The Sub-Fund applies a proprietary tool developed internally by the Management Company to make investment decisions. The risk exists that the models used to make these investment decisions do not perform the tasks they were designed to.

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.

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/srihttps://www.dnca-investments.com/isr/Poilitique%20d%27investisseur%20responsable\\_EN%2030%2010%2018.pdf](https://www.dnca-investments.com/lu/areas-of-expertise/srihttps://www.dnca-investments.com/isr/Poilitique%20d%27investisseur%20responsable_EN%2030%2010%2018.pdf)).

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

Besides, the Management Company's conviction is to finance the economy based on a long-term perspective which results in the identification of sustainability related thematic.

~~The extra-financial analysis model used by the Management Company for the Sub-Fund is a proprietary tool~~

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 responsibility (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 (inclusion of senior citizens, access to education, etc.),

medical transition (access to care, medical diagnostics, control of endemic diseases, etc.), economic transition (infrastructure development, digitalization, access to connectivity, etc.), lifestyle transition (extension of product lifestyle, circular economy, sustainable mobility, etc.) and ecological transition (renewable energies, biodiversity, green mobility, etc.). Around 34 activities which contribute to the sustainable transition have been identified and integrated into the model.

The Sub-Fund is managed taking into consideration the requirements of the French SRI label, from which the Sub-Fund benefits, which especially involves proceeding to the extra-financial analysis on at least 90% of the asset of the Sub-Fund and entails the exclusion of at least 20% of the worst share issuers from its investment universe. As such the Sub-Fund will not invest in these issuers.

In line with the fundamental approach of the management team, the investment process is based on the following four stages:

~~Corporate responsibility rating;~~

~~Sustainable transition exposure;~~

~~Controversies analysis;~~

~~Companies' meeting and newsflow recordings.~~

~~The research and the ratings are made internally by the Management Company thanks to corporate disclosures and statement which represent the majority of the used information.~~

~~The Sub-Fund applies a proprietary tool developed internally by the Management Company to make investment decisions. 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's personnel.~~

= SRI stocks selection with two successive steps:

- The selection of issuers pursuant to the financial approach described above, and
- the exclusion of issuers which have a high-risk profile in terms of corporate responsibility (rating below 4/10 in the ESG proprietary tool) or exposed to major controversies. This filter excludes a minimum of 20% of issuers based on the extra-financial analysis describes before.

= fundamental stock selection based on the analysis of the value creation process assessed using financial and extra-financial indicators, the financial model relevance and the management quality.

= valuation based on multicriteria analysis (PE, EV/EBITDA, FCF yield, Sum of Part...) to assess the upside potential of the selected stocks, and

= portfolio construction weighting each stock according to its risk/rewards liquidity and diversification impact on the portfolio.

[...]."

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