

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 - EUROPE GROWTH

Luxembourg, 23 December 2020

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 - EUROPE GROWTH (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 change the description of the investment strategy of the Sub-Fund in order to implement a responsible investment policy.

This modification involves an amendment of (i) the investment strategy and (ii) the specific risk factors applicable to the Sub-Fund (the "**Changes**").

(i) Investment strategy

As from 25 January 2021, the investment strategy of the Sub-Fund will be updated in order to add the following description of the responsible investment policy which will be implemented by the Management Company:

"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 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 tool developed internally by the Management Company.

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.

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, environmental responsibility, responsibility towards workers and society responsibility. 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 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/isr/Politique%20exclusion%20armements_FR-BE%2030%2010%2018.pdf).

Due to the responsible investment strategy, the Sub-Fund strictly excludes the following activities:

- Tobacco production;
- Weapons production over than 10% of revenues;
- Coal production over than 10% of revenues;
- Extraction of metallurgical coal over than 10% of revenues;
- Any extraction of thermal coal;
- Unconventional oil and gas production over than 10% of revenues;
- Conventional oil and gas production over than 10% of revenues;
- Companies in severe breaches to UN Global Compact Principles.

The Sub-Fund may not invest more than 5% of its net assets in issuers with the following activities:

- Coal-based power generation over than 10% of revenues;
- Nuclear-based power generation over than 30% of revenues.

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.

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

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

- Selection of the investment universe combining a financial (quantitative and micro-economic) and extra-financial (qualitative) approach with two successive steps:
 - The selection of issuers pursuant to the financial approach described above,
 - the exclusion of 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. This filter excludes a minimum of 20% of issuers based on the extra-financial analysis describes before.
- Structuration of the portfolio with a macroeconomic approach.
- Build the portfolio taking into consideration the regulatory constraints and the investment process in order to establish the final selection.

The Sub-Fund is managed taking into consideration the requirements of the French SRI label, which 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. The Management Company has also signed the AFG-FIR-EUROSIF transparency code for SRI funds that have obtained a Label for the general public."

(ii) Specific risk factors applicable to the Sub-Fund

A specific risk factor relating to ESG has been added to the risk profile of the Sub-Fund according to the revised investment policy.

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

If you deem that the Changes do no longer meet your investments requirements, you may apply for redemption of your shares, free of charge, until 22 January 2021 at 12:00 a.m. (Luxembourg time). The Changes will take effect on 25 January 2021.

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