

## 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-VALUE EUROPE

Luxembourg, April 14<sup>th</sup>, 2022

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 – VALUE EUROPE (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 enhance the disclosures related to the environmental and social characteristics promoted by the Fund's Management Company in view of the Sub-Fund's classification as an Article 8 financial product under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**").

This update involves an amendment of (i) the investment objective, (ii) the investment strategy and (iii) the specific risk factors applicable to the Sub-Fund (the "**Changes**"). The Changes will not involve any rebalancing of the Sub-Fund's portfolio nor specific market-related transaction costs which would be linked to an adjustment of the portfolio.

As from May 20<sup>th</sup>, 2022 (the "**Effective Date**"), the investment policy of the Sub-Fund will then read as follows (changes are underlined below):

#### " 3. Investment Policy

*Type of fund:*

European Equities Fund

*Investment Objective:*

*The Sub-Fund seeks to outperform the following Index: STOXX EUROPE 600 Index Net Return (Bloomberg ticker: SXXR Index), over the recommended investment term. Investors' attention is drawn by the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria.*

*Investment Strategy:*

*The Sub-Fund will at all times invest at least two-thirds of its total assets in equities of issuers having their registered office in Europe or exercising the preponderant part of their economic activities in Europe (hereinafter "European Equities").*

*The Sub-Fund's investment strategy relies on active discretionary management using a stock picking policy. This policy is all based on fundamental analysis developed through main investment criteria such as market assessment, issuer's financial structure, management quality, issuer's market position or regular contacts with issuers. The Management Company can use different methods to detect future investment returns as valuation metrics (PE, EV/EBIT, FCF yield, dividend yield...), sum of the parts or discounted cash-flows.*

*The main investment criteria are the market assessment, the issuer's financial structure, the current and forecast yield rate, management quality and the issuer's market position. The investment sectors targeted by the Management Company are not restricted, including with regard to new technology stocks.*

*In addition, with the management style as described above, 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 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, which include up to 2500 issuers, identified through financial and extra-financial approach as pan-European value stocks and which may belong to the STOXX Europe 600 and the MSCI Europe SMID Index, as well as stocks identified by the Management Company based on the financial and extra-financial analysis and/or having already been invested in recent past years. The SRI approach is applied on the selected issuers from the initial investment universe.*

*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 this way, the investment process and resulting stock picking take into account internal scoring with respect to the corporate responsibility of companies based on an extra-financial analysis through a proprietary tool developed internally by the Management Company, with the "best in universe" method. There may be a sector bias.*

*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 (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 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 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>).

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 (especially corporate responsibility) 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 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. The Management Company has also signed the AFG-FIR-EUROSIF transparency code for SRI funds that have obtained a Label for the general public.

*This Sub-Fund promotes environmental and social characteristics but does not commit to make investments in taxonomy-aligned environmentally sustainable activities. As such, the underlying investments of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.*

[...]”

In addition to the above amendments, a specific risk factor relating to ESG will be added to the risk profile of the Sub-Fund according to its revised new investment policy.

All other key features of the Sub-Fund will remain the same.

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 May 20<sup>th</sup>, 2022, at 12:00 noon (Luxembourg time).

The Changes exposed in this notice will be included in the next update of the Prospectus and the KIIDs in relation to 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 modification of the Sub-Fund.

Yours faithfully,

The Board of Directors  
**DNCA INVEST**