# ETF Willow ICAV

(an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C521118 and authorised by the Central Bank of Ireland pursuant to the UCITS Regulations)

## AI-Enhanced US Equities UCITS ETF
## 16 April 2026

**This Supplement describes AI-Enhanced US Equities UCITS ETF, which is an open-ended Active Sub-Fund of ETF Willow ICAV (the "ICAV"). This Supplement forms part of the prospectus of the ICAV dated 16 April 2026 (the "Prospectus") and should be read in the context of, and in conjunction with the Prospectus.**

Applicants for Shares in the ICAV will be deemed to be on notice of all information contained in the Prospectus.

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# 1. Key Information

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

| | |
|---|---|
| **Base Currency** | US Dollar |
| **Benchmark Index** | MSCI USA Index - NDDUUS |
| **Business Day** | A day on which the New York Stock Exchange, and commercial banks in New York and Ireland and are generally open for business, or such other day or days as the Directors may determine to be Business Days from time to time, as shall be notified to Shareholders in advance |
| **Dealing Deadline** | 3:30 pm London time on the relevant Dealing Day in respect of the Currency Hedged Share Class and 4:30 pm London time on the relevant Dealing Day in respect of all other Share Classes. |
| **Investment Manager** | Baader Bank Aktiengesellschaft, a German domiciled CRR Credit Institution, conducting investment services, including portfolio management and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), the German Financial Supervisory Authority. |
| **Listing Stock Exchange** | XETRA and such other selected exchanges as the Directors may determine from time to time in respect of the Sub-Fund and which are specified on the Website. |
| **Minimum Subscription Amount** | USD 1,000,000 |
| **Minimum Redemption Amount** | USD 1,000,000 |
| **Offer period** | 9 am London time on 16 April 2026 to 4:30 pm on 15 October 2026 or such earlier or later date as the Directors may determine and notify to the Central Bank. |
| **Settlement Deadline** | Cleared subscription monies must be received by the Business Day following the relevant Dealing Day, or such later date as may be determined by the ICAV and notified to prospective investors from time to time. |
| **Valuation** | The Net Asset Value per Share is calculated in accordance with the "*Determination of Net Asset Value*" section of the Prospectus, using last traded prices for securities. |
| **Valuation Point** | With respect to:<br>(i) US equities and listed FDI, such time on a Business Day which reflects the close of business on the markets relevant to such assets and liabilities;<br>(ii) collective investment schemes, the time of publication of the Net Asset Value by the relevant collective investment scheme; and<br>(iii) OTC FDI and portfolio management techniques, the close |

of business of the relevant Business Day.

For the avoidance of doubt, the Valuation Point will always occur after the Dealing Deadline.

## 2. The Sub-Fund

The Sub-Fund is a sub-fund of the ICAV. The names of any other sub-funds of the ICAV are set out in the Prospectus.

The following Share Classes are available in the Sub-Fund:

| Share Class name | Share Class Currency | Share Class Currency Hedging | Distribution Policy | Approximate Initial Offer Price | ISIN | TER |
|---|---|---|---|---|---|---|
| Class USD (Dist) | USD | No | Distributing | USD 100 | IE000AXUR1L9 | Up to 0.75% |
| Class EUR (Dist) | EUR | Yes | Distributing | EUR 100 | IE0008TXZNT3 | Up to 0.85% |
| Class USD (Acc) | USD | No | Accumulating | USD 100 | | Up to 0.75% |
| Class EUR (Acc) | EUR | Yes | Accumulating | EUR 100 | | Up to 0.85% |

## 3. Investment Objective and Strategy

**Investment Objective**. The Sub-Fund seeks to generate investment returns in excess of the Benchmark Index through stock selection.

**Investment Policy**. The Sub-Fund is actively managed. The Sub-Fund's investment strategy aims to achieve a risk-controlled excess return from investment in US equities greater than that which would be delivered by a passive exposure to such US equities, as represented by the Benchmark Index.

The Sub-Fund seeks to achieve its investment objective by employing an investment strategy (the "**Strategy**") which has been designed by Ultramarin Capital GmBH, a German financial services provider which provides financial advice and brokerage services ("**Ultramarin**"). Ultramarin will also act as a sub-distributor in respect of the Sub-Fund.

The Strategy is a systematic and rules-based strategy, which is algorithmic and non-discretionary in nature and has been licensed to the Investment Manager by Ultramarin for use in respect of the Sub-Fund by means of a licence agreement (the "**Strategy Licence Agreement**"), with the result that Ultramarin has no control or discretion in respect of the investment management of the Sub-Fund.

The Strategy will identify stocks with upside potential that are not closely correlated with overarching systematic risk factors, such as the risks associated with country-specific fiscal policies, regulatory changes within industries or sensitivities to global market movements, and produce recommendations for security purchases and sales in relation to the Sub-Fund's portfolio. The Investment Manager will then buy and sell securities in line with the Strategy's recommendations. The weight of a security within the Sub-Fund's portfolio is determined by both its expected return and estimates of its risk, with higher expected returns and lower risk resulting in a higher weight. The expected return forecast stems from AI forecasts, while an ex-ante risk estimate is derived from a global fundamental risk model, both of which are described in greater detail below.

Ultramarin may make changes to the Strategy but only those which are technical in nature and will not result in any changes to the Sub-Fund's investment objective or investment policy (as described in greater detail below). The Investment Manager must consent in advance to any non-technical adjustments of the Strategy.

The rules of the Strategy (the "**Strategy Rules**"), which have been reviewed and approved by the Investment Manager as part of its selection of the Strategy for use by the Sub-Fund, provide a framework which enables the Strategy to react to market events and continue to function if, for example, a security identified by the Strategy is not available on a given Business Day. The Strategy Rules do this by providing for limited circumstances (as described in the Strategy Rules and subject to the terms of the Strategy Licence Agreement) in which Ultramarin may make technical adjustments to the Strategy to preserve the intended commercial purpose of the Strategy and to maintain and operate the Strategy. Any such technical adjustments to the Strategy will be within the framework of the Strategy Rules and the terms of the Strategy Licence Agreement and will not result in any entity other than the Investment Manager exercising investment discretion in respect of the Sub-Fund.

Additional information on the Strategy is available on request and may be requested by Shareholders and potential investors in advance of any investment in the Sub-Fund.

Please see the "*Currency Hedging at Share Class Level*" section of the Prospectus for a description of the hedging techniques which may be employed by the Investment Manager in hedging currency exposure in respect of the Class EUR (Dist), which is a Currency Hedged Share Class.

*AI Return Prediction Model*
The first input to the Strategy is a holistic AI-enhanced model which predicts the monthly excess return for each stock in the investment universe of US equities. The model analyses a large and diverse data set, consisting of recognized and practically relevant fundamental and market data (e.g. profitability, payout policy, asset utilization, momentum, reversal, volatility). All data sets have been customized to select and emphasise the most relevant data from this whole data set, to optimize the AI model. The AI model is an ensemble of several machine learning models, which use AI technology to recognise patterns in data and make predictions. The AI model then combines different predictions to further improve forecast quality by reducing model-specific biases. Combined, non-linear dependencies between data and predictions are captured and the model is managed and adapted over time.

*Global Fundamental Risk Model*
The second input to the Strategy is the global fundamental risk model. Active portfolio risk is estimated by considering the sensitivity of the portfolio to the systematic risk factors referred to above, as well as a component reflecting the specific risks of individual stocks. Systematic risk combines (i) the sensitivity of single stock returns to systematic risk factors, and (ii) the interdependencies of the various systematic risk factors. Risk factors include market, fundamental, country and industry factors. Single stock specific risks reflect the risk of an investment in a stock that is not correlated with the systematic factors, such as product recalls, legal issues or management scandals and is estimated using historical returns. This approach captures the correlation of movements in stocks' values in response to macroeconomic shocks, based on their individual characteristics. In addition, the risk model seeks to limit the ex-ante tracking error of the Strategy relative to the Benchmark Index, reducing the relative number of investments in stocks whose return is driven by correlation with the systematic risk factors.

*Sustainable Finance*
The Strategy also systematically applies environmental, social and governance ("ESG") features to its investment decisions. Pursuant to this approach, the Sub-Fund's assets may be invested in companies with positive environmental and/or social characteristics that follow good governance practices and the Sub-Fund promotes environmentally and socially responsible management of business and human rights and has, consequently, been categorised under Article 8 of SFDR. Further details on the ESG

approach applied and the environmental and social characteristics which the Sub-Fund promotes are provided in the annex to this Supplement.

As described in the annex, the Sub-Fund promotes the environmental and social characteristics referred to above by the Strategy applying values- and norms-based screening in relation to certain industries and issuers based on specific ESG criteria and/or minimum standards of business practice. To support this screening, the Strategy relies on third party provider(s), such as MSCI, who identify an issuer's participation in or the revenue which they derive from activities that are identified by the values- and norms-based screens. While the Strategy does not operate to fully exclude companies which are identified by the screens, it will utilise this screening to ensure that at all times a majority of the Net Asset Value of the Sub-Fund will be invested in equities which are aligned to the environmental and social characteristics which the Sub-Fund promotes.

These screens will identify companies which are based in countries which are rated as not free by Freedom House, which provides an indicator of the political and civil freedom of a state. Companies that generate more than 5% of their revenues from thermal coal, conventional or unconventional oil or the production or sale of adult entertainment, as well as those securities that derive more than 5% of their revenues in connection with nuclear weapons will also be identified. In addition, companies which do not comply with the principles of the UN Global Compact, a United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, or are involved with controversial weapons, such as landmines and cluster munitions will be identified by the Strategy.

Finally, in order to ensure the Sub-Fund only invests in companies which follow good governance practices, the Strategy identifies companies that have an ESG rating of below BBB from MSCI, which are unrated or which are based in countries whose governments have ESG ratings below BBB from MSCI and will fully exclude such companies from the Sub-Fund.

Investors should note that, while AI enhances the data analysis which forms one part of the Strategy, the Strategy is not an AI tool that makes investment decisions for the Sub-Fund.

*Portfolio Optimization*
Based on the AI predictions, the global fundamental risk model and the ESG approach described above, the Strategy calculates an optimal portfolio for the Sub-Fund, subject to the risk model inputs which seek to limit ex-ante tracking error.

**Instruments / Asset Classes**. The securities in which the Sub-Fund invests include equity securities. The Sub-Fund will invest up to 100% of its Net Asset Value in such securities.

**Use of Financial Derivative Instruments**. In addition, the Sub-Fund may, for investment and efficient portfolio management purposes, use financial derivative instruments ("**FDI**") primarily to reduce the Sub-Fund's cash balances, hedge currency risks and/or manage cash flows. Any use of FDI by the Sub-Fund shall be limited to (i) index futures in respect of UCITS eligible equity indices; and (ii) forward foreign exchange contracts (including non-deliverable forwards) for currency hedging purposes. FDI are described under "*Use of Financial Derivative Instruments*" in the "*Investment Objectives and Policies*" section of the Prospectus.

**Securities Lending.** The Sub-Fund will have no exposure to securities lending, total return swaps, repurchase agreements or reverse repurchase agreements.

**Portfolio Holding Disclosure Policy**. The Sub-Fund will publicly disclose its complete holdings on a daily basis. Details of the Sub-Fund's holdings and full disclosure policy may be found at https://www.ultramarin.ai/en/usiq/

**Sustainable Finance.** The Sub-Fund may be exposed to sustainability risks from time to time. A sustainability risk is defined in the EU Sustainable Finance Disclosure Regulation as an environmental, social or governance event or condition that could cause an actual or a potential material negative impact on the value of investments. The universe of sustainability events or conditions is very broad, and their relevance, materiality and impact on investments will depend on a number of factors such as the investment strategy pursed by the Sub-Fund, asset class, asset location and asset sector. Depending on the circumstances, examples of sustainability risks can include physical environmental risks, climate change transition risks, supply chain disruptions, improper labour practices, lack of board diversity and corruption. If they materialise, sustainability risks can reduce the value of underlying investments held within the Sub-Fund and could have a material impact on the performance and returns of the Sub-Fund.

**Fund Classification – German Investment Tax Act**. The Sub-Fund intends to qualify as an “Equity Fund" in accordance with the partial exemption regime and will invest more than 50% of its Net Asset Value on a continuous basis directly in equities as defined in the German Investment Tax Act.

# 4. Investment Risks

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the “*Risk Information*” section of the Prospectus. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares. In particular, investors should refer to the following risks as set out in the Prospectus: Equity Securities Risk.

**Strategy Risk Considerations**. The Strategy is rules-based and the value of an investment in the Sub-Fund may decline. The Strategy methodology was developed based on (and optimised with respect to historical data and conditions and there are no assurances that the methodology will generate positive performance in the future. As such, past performance of the Strategy (actual or simulated) is not a reliable indication of future performance.

The Strategy operates according to a set of pre-determined rules as set forth in the Strategy Rules and, in particular, securities and the weight assigned to them shall be determined by the Strategy applying an algorithm operating within pre-determined rules. There will be no additional discretionary management of the Sub-Fund to enhance returns beyond those targeted by the Strategy.

Market participants often seek to adjust their investments promptly in view of market, political, financial or other factors and investment strategies which do not operate in accordance with pre-determined rules may potentially respond more directly and appropriately to immediate market, political, financial or other factors than a rules-based strategy such as the Strategy. No assurance can be given that the Strategy will replicate or outperform a comparable strategy which is managed outside of such pre-determined rules and the return on an investment in the Sub-Fund may be lower than the return on a such a strategy.

In addition, any technical adjustments made to the Strategy could adversely affect the value of the Strategy. In making any such adjustments, Ultramarin will not be required to take the interests of any Shareholder into account or consider the effect of its technical adjustments on the Net Asset Value. Any technical adjustments made to the Strategy will be conclusive for all purposes and will impact on all Shareholders.

# 5. Investor Profile

Typical investors in the Sub-Fund are expected to be investors who are seeking income and capital appreciation through exposure to US companies.

# 6. Investment Manager

The Manager has appointed Baader Bank Aktiengesellschaft (the “**Investment Manager**”) as investment manager of the Sub-Fund pursuant to the investment management agreement between the

ICAV, the Manager and the Investment Manager dated 30 May 2024, as may be amended from time to time (the "**Investment Management Agreement**"). The Investment Manager will be responsible for the provision of discretionary investment management services in respect of the Sub-Fund. The Investment Manager has its principal place of business at Weihenstephaner Straße 4, 85716 Unterschleißheim, Germany and is a CRR Credit Institution, conducting investment services, including portfolio management. The Investment Manager is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), the German Financial Supervisory Authority. The Sub-Fund is promoted by the Investment Manager.

The Investment Manager shall be liable for any claims or losses arising from its negligence, fraud, bad faith, or wilful default in the performance of its obligations or duties under the Investment Management Agreement. The ICAV shall indemnify and keep indemnified and hold harmless the Investment Manager out of the assets of the Sub-Fund from and against all actions, proceedings, claims and against all loss, costs, demands and expenses (including reasonable legal expenses) which may be brought against, suffered or incurred by the Investment Manager in relation to the Sub-Fund (other than any losses caused by the negligence, fraud, bad faith, or wilful default of the Investment Manager in the performance or non-performance by the Investment Manager or persons designated by it of its obligations or duties under the Investment Management Agreement). In any event and notwithstanding the foregoing, no party to the Investment Management Agreement shall be liable for any indirect or consequential damages (including without limitation, loss of profits or loss of goodwill) suffered by the ICAV, the Manager, the Investment Manager and/or any Shareholder. In addition, the Investment Management Agreement provides that that any gains resulting to the Sub-Fund from trade errors will be retained by the Sub-Fund but that any losses to the Sub-Fund directly related to trade errors which amount to negligence, bad faith, fraud or wilful default of the Investment Manager will be paid by the Investment Manager.

The appointment of the Investment Manager will continue unless terminated by a party giving not less than ninety (90) days' notice in writing to the other parties. Any party may also terminate the Investment Management Agreement in accordance with its terms, including if (a) any other party shall pass a resolution for its winding up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by the other parties) or if a court of competent jurisdiction shall order a winding up of any other party, or a receiver shall be appointed over any other party's assets, or an examiner shall be appointed to any other party (or proceedings analogous to the foregoing are commenced against any other party in any jurisdiction); or (b) any other party commits a material breach of its obligations under the Investment Management Agreement and (if such breach shall be capable of remedy) fails to remedy such breach within thirty (30) days of a written request by the other party to do so.

# 7. Subscriptions – Primary Market

The Shares will be available during the Offer Period at the Initial Offer Price per Share set out above under "*The Sub-Fund*".

After the Closing Date, Shares will be issued on each Dealing Day at the appropriate Net Asset Value per Share with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Investors may subscribe for Shares for cash or by way of transfer of assets on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out below and in the "*Purchase and Sale Information*" section of the Prospectus. Consideration, in the form of cleared subscription monies/securities, must be received by the applicable Settlement Deadline.

# 8. Redemptions – Primary Market

Shareholders may redeem Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges as set out in the Prospectus, provided that a valid redemption request from the Shareholder is received by the Administrator by the Dealing Deadline in respect of the relevant Dealing Day, in accordance with the provisions set out in this section and at the "*Purchase and Sale Information*" section of the Prospectus. Settlement will take place within a maximum of ten Business Days of the Dealing Day.

## 9. Fees and Expenses

The TER for each Class set out in the table in "*The Sub-Fund*" section above.

Further information in this respect is set out in the "*Fees and Expenses*" section of the Prospectus.

## 10. Distributions

Share Classes whose name contains "(Acc)" are Accumulating Share Classes and Share Classes whose name contains "(Dist)" are Distributing Share Classes. The Sub-Fund distributes income, with respect to the Distributing Share Classes, if any, in accordance with the provisions set out in the "*Dividend Policy*" section of the Prospectus. As indicated in the table in "*The Sub-Fund*" section above, dividends for the Distributing Share Classes may be declared and paid monthly, quarterly, semi-annually or annually, except where the Directors in their sole discretion, determine not to pay a dividend on any given distribution date. It is expected that for any annually Distributing Share Classes, distributions will be declared and paid on or around the final Business Day of December.

The distribution policy of any Share Class may be changed by the Directors, upon reasonable notice to Shareholders and, in such circumstances, the distribution policies will be disclosed in an updated Prospectus and/or Supplement.

## 11. Listing

Application has been made for the Shares to be admitted to trading on the regulated market of XETRA and to trading on each of the Listing Stock Exchanges and such Shares are expected to be admitted to listing on or about 27 January 2025.

## 12. Benchmark Register

As of the date of the Supplement, the Sub-Fund uses (within the meaning of the Benchmark Regulation) the following benchmark:

- MSCI USA Index

The Sub-Fund's investment policy is to apply the Strategy with the aim of achieving a risk-controlled excess return from investment in US equities greater than that which would be delivered by a purely passive, market capitalisation-weighted exposure to the US equities. The benchmark is used solely as a performance comparator, to illustrate what such a passive exposure to US equities would return.

The benchmark administrator has been granted authorization by BaFin as an EU benchmark administrator and is listed on the ESMA Benchmark Register.

## 13. Index Disclaimer

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission.

The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

# 14. Annex

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** AI-Enhanced US Equities UCITS ETF  **Legal entity identifier:** 635400CZPL9W3PVH7F64

## Environmental and/or social characteristics

**Sustainability indicators** measure how the

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

### What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes the following environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation:

- Environmentally and socially responsible management of business; and
- Human rights.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators will be used to measure the attainment of the enviornmental and social characteristics promoted by the Fund:

- Freedom House rating - companies which are based in a country which is rated as "not free" by Freedom House, which is an indicator of the political and civil freedom of a state, will be identified
- UN Global Compact - companies which do not comply with the principles of the UN Global Compact, which is an indicator of whether a company is involved in serious, unresolved controversies, will be identified.
- Revenue Generation - companies which generate more than 5% of their revenues from thermal coal, conventional or unconventional oil, the production or sale of adult entertainment or in connection with nuclear weapons will be identified.
- Controversial Activities - companies which are involved with controversial weapons will be identified.

Once these companies are identified, these results will be used in the application of ESG screening in accordance with the Strategy.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

## Does this financial product consider principal adverse impacts on sustainability factors?

x Yes

Yes, the following PAI are taken into account through the screening described above in "*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*":

- PAI 4 - Exposure to companies active in the fossil fuel sector

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-

712.25

- PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

More information on how the Sub-Fund considered its PAIs may be found in the periodic reporting of the Sub-Fund.

☐ No

## What investment strategy does this financial product follow?

The Sub-Fund's investment strategy aims to achieve a risk-controlled excess return from investment in US equities relative to a passive exposure to such US equities, as represented by the Benchmark Index.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund seeks to achieve its investment objective by employing the Strategy, which identifies stocks with upside potential that are not closely correlated with overarching systematic risk factors, such as the risks associated with individual industries, countries or styles and which produces recommendations for security purchases and sales in relation to the Sub-Fund's portfolio. The Investment Manager will then buy and sell securities in line with the Strategy's recommendations. The weight of a security within the Sub-Fund's portfolio is determined by both its expected return and estimates of its risk, with higher expected returns and lower risk resulting in a higher weight. The expected return forecast stems from the AI forecasts, while the ex-ante risk estimate is derived from a global fundamental risk model which seeks to limit ex-ante tracking error.

The Strategy is a systematic and rules-based strategy, which is algorithmic and non-discretionary in nature and has been licensed to the Investment Manager by Ultramarin for use in respect of the Sub-Fund by means of the Strategy Licence Agreement, with the result that Ultramarin has no control or discretion in respect of the investment management of the Sub-Fund. Ultramarin may make changes to the Strategy but only those which are technical in nature and will not result in any changes to the Sub-Fund's investment objective or investment policy. The Investment Manager must consent in advance to any non-technical adjustments of the Strategy.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Strategy used to select the investments to attain each of the environmental or social characteristics are:

- Exclusion of companies that have an ESG rating of below BBB, which are unrated or which are based in countries whose governments have ESG ratings below BBB from MSCI;
- Application of ESG screening to all companies in the investment universe of US securities to identify:
  - Freedom House rating - companies which are based in a country which is rated as "not free" by Freedom House;
  - UN Global Compact - companies which do not comply with the principles of the UN Global Compact;

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ➢ Revenue Generation - companies which generate more than 5% of their revenues from the mining, sale and generation of thermal coal, conventional or unconventional oil and gas, the production or sale of adult entertainment or in connection with nuclear weapons; and
- ➢ Controversial Activities - companies which are involved with controversial weapons.

- Ensuring that at least 51% of the Net Asset Value of the Sub-Fund will consist of equities which are aligned to the environmental and social characteristics which the Sub-Fund promotes, by reference to the indicators stated above.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable

**Asset allocation** describes the share of investments in specific assets.

***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance in areas such as ownership structure, accounting practices and tax transparency is assessed through the MSCI ESG Ratings. Companies which have an ESG rating of below BBB by MSCI, which are unrated or which are based in countries whose governments have ESG ratings below BBB from MSCI are excluded from the Sub-Fund's portfolio.

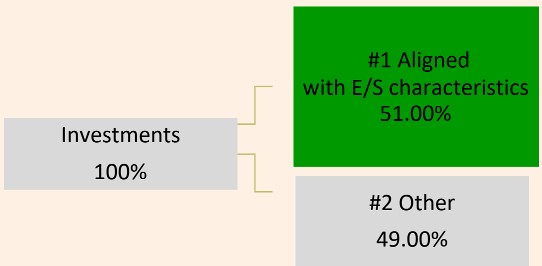
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

## What is the asset allocation planned for this financial product?

The asset allocation of the Sub-Fund and the extent to which the Sub-Fund can take direct or indirect risk positions towards companies can be found in the investment guidelines. At least 51% of the Net Asset Value of the Sub-Fund will consist of equities which are aligned to the environmental and social characteristics which the Sub-Fund promotes. There are no minimum allocations to sustainable investments.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-Fund.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not Applicable

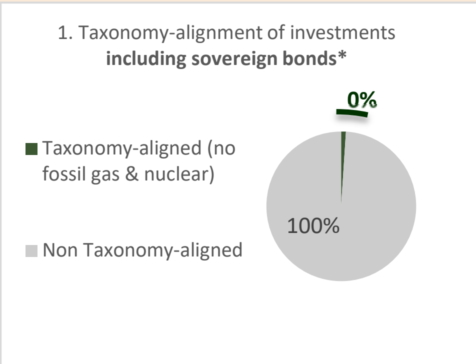
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

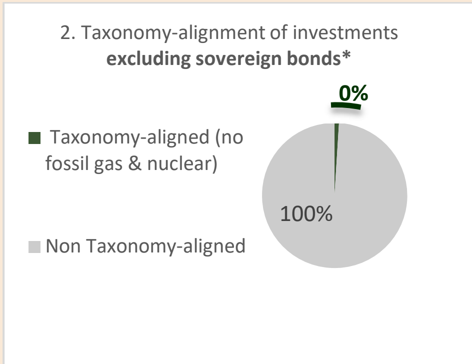
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

***What is the minimum share of investments in transitional and enabling activities?***

Not applicable.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### What is the minimum share of socially sustainable investments?

Not applicable.

### What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "Other investments" includes equities which are not aligned to the environmental or social characteristics promoted by the Sub-Fund used for investment purposes, cash used for liquidity management and derivatives used for efficient portfolio management, in particular for managing cash balances and flows. No environmental or social safeguards are applied to these investments.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

### Where can I find more product specific information online?

**More product-specific information can be found on the website:** www.ultramarin.ai