

# METZLER UNIVERSAL TRUST

An Umbrella Unit Trust authorised pursuant to the Unit Trusts Act, 1990

## ADDENDUM TO THE PROSPECTUS

26 January 2024

This Addendum forms part of the prospectus in respect of Metzler Universal Trust dated 15 June 2023 (the "Prospectus"). Metzler Universal Trust (the "Trust") is an umbrella unit trust which has been authorised by the Central Bank of Ireland (the "Central Bank") as a Qualifying Investor Alternative Investment Fund pursuant to the AIF Rulebook. The information contained in this Addendum should be read in the context of, and together with, the information contained in the Prospectus and the distribution of this Addendum is not authorised unless accompanied by or supplied in conjunction with a copy of the Prospectus.

The Directors of the Manager of the Trust, whose names appear on page 53 of the Prospectus, accept responsibility for the information contained in the Prospectus and this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and this Addendum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus and in the relevant supplements or addendums to the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum.

The following changes are hereby made to the Prospectus:

1. The cover page of the Prospectus is amended to include reference to Metzler FX Protected Carry Fund JPY and Metzler Global Dividend Enhanced Sustainability in the list of sub-funds of the Trust, as follows:

METZLER BALANCED INVESTMENTS FUND  
METZLER TARGET RETURN FUND  
METZLER EURO CORPORATE BOND FUND  
METZLER ASIAN BALANCED INVESTMENTS FUND  
METZLER SMALLER COMPANIES EUROPE  
EUROPEAN EQUITY ESG FUND  
METZLER GLOBAL MULTI ASSET STRATEGY EUR 90  
METZLER EURO CORP IG BONDS ENHANCED  
METZLER GLOBAL DIVIDEND ENHANCED SUSTAINABILITY  
METZLER FX PROTECTED CARRY FUND JPY

2. Section 1.1 of the Prospectus entitled "Introduction" is hereby amended to include Metzler Global Dividend Enhanced Sustainability and Metzler FX Protected Carry Fund JPY in the list of sub-funds which have been approved by the Central Bank, as follows:

The funds which have been approved by the Central Bank are:

Metzler Balanced Investments Fund;

Metzler Target Return Fund;

Metzler Euro Corporate Bond Fund;  
Metzler Asian Balanced Investments Fund;  
Metzler Smaller Companies Europe;  
European Equity ESG Fund;  
Metzler Global Multi Asset Strategy EUR 90;  
Metzler Euro Corp IG Bonds Enhanced;  
Metzler Global Dividend Enhanced Sustainability; and  
Metzler FX Protected Carry Fund JPY.

3. Section 11.3(b) of the Prospectus under the section entitled “Material Contracts” is hereby deleted and replaced with the following:

*“The Investment Management Agreement dated 31 May 2021, as may be amended from time to time by side letters or otherwise, between the Manager and Metzler Asset Management GmbH (“MAM”) under which MAM agreed to provide discretionary investment management services to the Manager with respect to the assets of the Metzler Target Return Fund, Metzler Euro Corporate Bond Fund, Metzler Asian Balanced Investments Fund, Metzler Smaller Companies Europe, Metzler Balanced Investments Fund, European Equity ESG Fund, Metzler Euro Corp IG Bonds Enhanced and Metzler Global Dividend Enhanced Sustainability, all sub-funds of the Trust. The Agreement is terminable on not less than ninety days’ prior notice in writing by any party. The Manager shall, out of the assets of the relevant Fund, indemnify and keep indemnified and hold harmless MAM (and each of its directors, managers, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees and expenses) directly suffered or incurred by MAM in connection with the performance of its duties and/or the exercise of its powers in the absence of fraud, negligence, bad faith or wilful default in the performance or non-performance by MAM of its duties.”*

4. Section 11.3(d) of the Prospectus under the section entitled “Material Contracts” is hereby deleted and replaced with the following:

*“The Placement Agent Agreement between Teneo Partners Japan Limited (the “**Placement Agent**”) and the Manager dated 2 March 2018, as amended by way of side letter, pursuant to which the Placement Agent was appointed to act in the private placement of interests in the European Equity ESG Fund, Metzler Balanced Investments Fund and Metzler FX Protected Carry Fund JPY to investors in Japan. The Placement Agent Agreement is governed by the laws of Japan and is terminable upon 90 days’ written notice by any party or as otherwise set out in the Placement Agent Agreement.”*

5. In the “List of Parties and Addresses” on page 53 of the Prospectus, the address provided for Teneo Partners Japan Limited in the “Placement Agents” section is replaced with the following:-

Teneo Partners Japan Limited  
3-3-2 Kyobashi  
Chuo-ku  
Tokyo 104-0031  
Japan

The provisions of the Prospectus as supplemented by this Addendum will apply to the Trust.

**26 January 2024**

**METZLER UNIVERSAL TRUST**

AN UMBRELLA UNIT TRUST AUTHORISED PURSUANT TO THE UNIT TRUSTS ACT, 1990

**PROSPECTUS**

**15 June 2023**

**METZLER BALANCED INVESTMENTS FUND  
METZLER TARGET RETURN FUND  
METZLER EURO CORPORATE BOND FUND  
METZLER ASIAN BALANCED INVESTMENTS FUND  
METZLER SMALLER COMPANIES EUROPE  
EUROPEAN EQUITY ESG FUND  
METZLER GLOBAL MULTI ASSET STRATEGY EUR 90  
METZLER EURO CORP IG BONDS ENHANCED**

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## IMPORTANT NOTICE

This Prospectus is issued as an offer to investors to subscribe for Units in METZLER UNIVERSAL TRUST (the “Trust”). Unless defined elsewhere in this Prospectus, all capitalised terms used in this Prospectus shall have the meanings assigned to them in the Section entitled “Definitions” beginning on page 35.

Units are offered solely on the basis of the information and representations contained in this Prospectus. No person is authorised to give any information or make any representation other than those contained in this Prospectus and if given or made such information or representation may not be relied upon as having been authorised by the Trust or the Manager.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. No person may treat this Prospectus as constituting an invitation to them unless in the relevant territory such an invitation could lawfully be made to them without compliance with any registration or other legal requirements. It is the responsibility of any person outside Ireland wishing to make an application hereunder to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required or other formalities needing to be observed or transfer or other taxes requiring to be paid in such territory.

The Directors of the Manager have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or of opinion. This Prospectus must be read in conjunction with the Leaflet relating to a Fund in which an investor wishes to invest.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

After publication of an annual report of the Trust, this Prospectus should be accompanied by, and read in conjunction with, the latest annual report and accounts of the Trust.

This Prospectus may be translated into other languages provided that any such translation shall only contain the same information and shall have the same meaning as this Prospectus. However, the English version of this Prospectus, alone, is binding.

Copies of the Trust Deed made between the Manager and the Depositary which constitutes the Trust, any supplemental deed, a list of the Funds that are currently in existence and each published annual report and accounts will be available for inspection at the registered office of the Manager.

### Authorisation

**The authorisation of this Trust by the Central Bank is not an endorsement or guarantee of the scheme by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The Central Bank shall not be liable by virtue of its authorisation of this Trust or by reason of its exercise of the functions conferred on it by legislation in relation to the Trust for any default of the Trust. Authorisation does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the Trust.**

With the exception of investors who qualify as “Knowledgeable Employees” (as defined herein), the minimum aggregate subscription amount is €100,000, or its equivalent in such other currencies in which Units may be denominated. However, a higher minimum subscription amount may be set by

the Directors in respect of any Fund and details of such higher amount shall be set out in the applicable Leaflet. Furthermore an investment in the Trust may only be made by an investor who meets the Qualifying Investor criteria and is aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested;

**The Trust has been authorised as a qualifying investor alternative investment fund ("QIAIF") under the Central Bank's AIF Rulebook. Accordingly, the Trust has been authorised by the Central Bank to market solely to Qualifying Investors. Further, while the Trust is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage which may be employed by the Trust, nor has the Central Bank reviewed this Prospectus. Investment in the Trust should not constitute the sole or the main investment of an investor's portfolio. An investment in the Units has the potential for above average risk and is therefore suitable only for Qualifying Investors who are in a position to take such risk. The Risk Factors for an investor to consider are set out on pages 5 to 8 herein.**

### **Selling Restrictions**

The Units of the Trust that have been issued may be offered for sale or sold to the public only in countries where such an offer or such a sale is permissible. Unless the Manager, or a third party authorised by it, has obtained permission to do so from the local regulatory authorities and such permission can be presented by the Manager, this Prospectus does not constitute a solicitation to purchase the Units, nor may the Prospectus be used for the purpose of soliciting the purchase of the Units.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not "United States Persons," or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a "United States Person" or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any "United States Person;" which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, "United States" means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and "United States Person" encompasses any person that is not a "Non-United States Person" or is a "U.S. person" within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission ("CFTC"); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

This Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in this Prospectus or in the



documentation have not been authorised by the Manager. The documents are available to the public at the registered office of the Manager.

## **Responsibility**

The Directors of the Manager, whose names appear under “**Management and Administration**” herein, are the persons responsible for the information contained in this document. To the best of the knowledge and belief of such Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is at its date in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Potential investors should consult, and must rely on, their own professional tax, legal and investment advisers as to matters concerning the Trust and their investment in the Trust.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Units; (b) any applicable foreign exchange restrictions; and (c) any income and other taxes which may apply to their purchase, holding or disposal of Units or payments in respect of Units.

**Prospective investors should be aware that the price of Units may go down as well as up and that investment in the Trust carries an above-average degree of risk. The Trust is only suitable for investment by investors who are aware of and understand the risks involved and are in a position to take such risks.**

## **Investor Responsibility**

**Investors should note that since transferable securities may depreciate as well as appreciate in value, no assurance can be given by the Trust, the Directors or the Manager or any of the persons referred to in this Prospectus that the Trust will attain its objectives. The price of Units, in addition to the income therefrom, may decrease as well as increase. Accordingly, an investment should only be made where the investor is in a position to sustain any loss on their investment. The difference at any one time between the sale and redemption price of the Units of any Fund means that the investment should be regarded as medium to long term.**

Within the EU, the Units may only be marketed to Professional Investors pursuant to the Manager’s marketing passport under AIFMD, unless the Member State in question permits, under the laws of that Member State, AIFs to be sold to other categories of investors and this permission encompasses investors set out in categories (b) and (c) of the definition of “Qualifying Investor” on page 40 of this Prospectus. **The Directors have determined that as of the date of this Prospectus, applications for Units in any Fund may only be accepted from Professional Investors.**

## **Risk Factors**

Investors’ attention is drawn to Section 1.8 of this Prospectus entitled “**Risk Factors**”.

**If you are in any doubt regarding the action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.**

## **1. THE TRUST**

### **1.1 Introduction**

The Trust is an umbrella unit trust which has been authorised by the Central Bank under the Acts and was constituted on 19 January 2009 by the Trust Deed (as amended and re-stated from time to time) made between the Manager and the Depositary.

The Trust is structured as an umbrella fund with segregated liability between Funds. The Trust Deed provides that the Trust may establish, and offer, Units in different Funds, each comprising a distinct portfolio of investments. The assets of each Fund shall belong exclusively to that Fund, shall be recorded in the books and records maintained for the Fund as being held for that Fund and separately from the assets of other Funds and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

The Trust has obtained the approval of the Central Bank for the establishment of nine funds of the Trust. The funds which have been approved by the Central Bank are:

Metzler Balanced Investments Fund;

Metzler Target Return Fund;

Metzler Euro Corporate Bond Fund;

Metzler Asian Balanced Investments Fund;

Metzler Smaller Companies Europe;

European Equity ESG Fund;

Metzler Global Multi Asset Strategy EUR 90; and

Metzler Euro Corp IG Bonds Enhanced.

An application to the Central Bank for revocation of authorisation will shortly be made in respect of the following Funds:

Metzler Global Multi Asset Fund;

Metzler European Dividend ESG Equity;

Metzler Global Multi Asset Strategy 90; and

Metzler European Growth Hedged JPY.

With the prior approval of the Central Bank, the Trust may from time to time create such additional Funds as the Directors may deem appropriate. Details of any such Fund or Funds created in the future shall be as set out in the applicable Leaflet in accordance with the requirements of the Central Bank. Each Leaflet shall form part of, and should be read in conjunction with, this Prospectus.

The currency designation of each Fund will be the Euro unless otherwise set out in a Leaflet.

## Classes of Units

In accordance with clause 7(d) of the Trust Deed, the Manager has the power to issue different classes of Units within each Fund and the Manager may, in its absolute discretion, differentiate between the rights attaching to the various classes of Units within that Fund including, without limitation, as regards the dividend policy, Base Currency, level of fees payable and voting rights (for the avoidance of doubt, the Manager may issue classes of Units which have limited or no voting rights) in respect of each class. Details of any such class or classes of Units and information in relation to the fees applicable to each class within the Fund shall be as set out in the applicable Leaflet for the relevant Fund in accordance with the requirements of the Central Bank. A separate pool of assets shall not be maintained for different classes of Units within each Fund. No additional classes of Units shall be created within a Fund without prior notification to, and advance clearance by, the Central Bank.

The Manager may, in respect of any class of Units within a Fund, hedge the currency exposure of certain of those classes (however, it is not obliged to do so). **The costs and related liabilities and/or benefits shall be for the account of the relevant hedged Unit class only. Accordingly, such costs and related liabilities and/or benefits will be reflected only in the Net Asset Value per Unit of the relevant hedged Unit class.** Details in relation to any currency hedged Unit class shall be set out in the applicable Leaflet. Where applicable, any such currency hedging transactions will not be combined with or offset against any other currency transactions undertaken by the Fund and in no case will these transactions exceed 105% of the Net Asset Value of the relevant hedged Unit class. Save for class specific gains or losses associated with currency hedging activities, the Net Asset Value of the relevant hedged Unit class will be calculated in the manner set out in this Prospectus and in the applicable Leaflet.

Investors should be aware that, where applicable, this strategy may substantially limit holders of the relevant hedged Unit class from benefiting if the hedged Unit class falls in value compared to the currency against which it is hedged and/or the currency in which the investments of the Fund are denominated.

If applicable, the currency hedging described above will be used only for the purpose of efficient portfolio management. If applicable, the periodic reports of the relevant Fund will give an indication of how any such currency hedging transactions have been utilised during the period to which the reports relate.

## 1.2 Investment Objective and Policies

The assets of each Fund will be invested in accordance with the investment objectives and policies of that Fund as set out in the applicable Leaflet. The Directors are responsible for the formulation of the investment objectives and policies of each Fund and any subsequent change to these objectives and policies. Each Fund is subject to the general investment restrictions as described below. Restrictions on any borrowing and any additional investment restrictions relevant to each Fund will be as set out in the applicable Leaflet.

A change to the investment objective or material changes to the investment policy of each Fund may not be effected without the prior written approval of all Unitholders or without approval on the basis of a majority of votes cast at a general meeting. A reasonable notification period will be provided by the Trust to enable Unitholders to redeem their units prior to implementation of these changes.

In support of the Convention on Cluster Munitions, ratified on 1 August 2010, the Funds will seek to avoid investing in companies involved in the production of Cluster Munitions.

### **1.3 Investment Restrictions**

The Trust is categorised as a QIAIF and is governed by the AIF Rulebook applicable to this category of fund. The Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage which may be employed by the Trust.

A Fund may not invest more than 50% of its Net Asset Value in any one unregulated collective investment scheme unless this is in accordance with the requirements of the Central Bank. Furthermore, a Fund may not invest more than 50% of its Net Asset Value in another investment fund which itself invests more than 50% of its net asset value in another investment fund. Where a Fund invests in another collective investment scheme managed by the Manager or the Investment Manager or by an associated or related company of either, or cross invests in another Fund, the management company of such collective investment scheme will waive any preliminary/initial/redemption charge which it would normally charge.

Neither the Trust, nor the Manager on behalf of the Trust, may acquire any securities carrying voting rights of any issuer if such voting rights would enable it to exercise a significant influence over the management of any issuer.

In addition, neither the Trust, nor the Manager on behalf of the Trust, will acquire or invest in securities, debt or equity instruments, or engage in any other form of investment from issuers domiciled in countries that are on the EU list of non-cooperative countries and territories for tax purposes (the “**EU Tax Haven List**”) as at the date of acquisition or investment. No direct investments may be made by the Manager on behalf of the Trust or any Fund in companies domiciled in any of the countries or territories on the EU Tax Haven List and no contractual relationships will be entered into with counterparties located in these jurisdictions. The EU Tax Haven List includes countries such as American Samoa, Anguilla, Bahamas, Fiji, Guam, Palau, Panama, Samoa, Trinidad and Tobago, Turks and Caicos Islands, U.S. Virgin Islands and Vanuatu. The current version of the EU Tax Haven List can be found at the following link: [www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/](http://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/).

The investments restrictions in respect of a Fund shall be set out in the applicable Leaflet and such limits shall apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the Trust, or as a result of the exercise of subscription rights, the Trust shall adopt as a priority objective the remedying of that situation taking due account of the interests of all Unitholders.

### **1.4 Financing Counterparties**

A Fund may be required, from time to time, to post margin or collateral with a counterparty (including but not limited to derivative counterparties or entities who may provide certain financing or brokerage services in respect of a Fund) (each a “Financing Counterparty”) in order to secure the Fund’s obligations to that Financing Counterparty. Generally, such margin or collateral will be required to be transferred outside the Fund’s depositary network. The Fund may also have other exposures to such Financing Counterparty (for example, deposits or direct investments).

Nothing herein shall prevent such Financing Counterparty from being appointed as a sub-custodian of the Trust and in such circumstances, the assets will be held subject to the Central Bank's rules in relation to the custody of assets.

Non-cash collateral posted to a Financing Counterparty cannot be re-used, pledged or re-invested by the Counterparty.

### **1.5 Borrowing**

The borrowing / leverage limits in respect of any Fund will be set out in the applicable Leaflet.

### **1.6 Use of Derivative Instruments**

The Trust may, for the purpose of efficient portfolio management or for investment purposes, enter into a variety of derivative instruments such as options, futures and forwards, details of which will be set out in the applicable Leaflet for the relevant Fund.

In order to secure its obligations to any counterparty, the Trust may be required to post assets or cash by way of margin or collateral. Unless otherwise stated within a Leaflet for a particular Fund, such margin or collateral arrangements shall comply with Section 1.4 of this Prospectus.

### **1.7 Dividend Policy**

The Accounting Date of the Trust is 31 December in each year. Once the accounts for the period ending on the relevant Accounting Date have been finalised, the Directors will determine whether and to what extent dividends shall be paid in respect of each Fund and Unitholders will be notified in advance of any dividend being declared. The Directors also have the power under the Trust Deed to declare interim dividends. For the avoidance of doubt, subject to there being distributable profits available, interim dividends declared and paid by the Fund may be in respect of previous financial years.

The dividend for any particular Class of Units in a Fund shall be payable out of profits of that Fund available for distribution relating to those Classes designated as distributing Classes. Unless otherwise stated in the Leaflet for a particular Fund, profits, for these purposes, will be comprised of net income (income less expenditure) and net realised and unrealised gains (realised and unrealised gains less realised and unrealised losses) attributable to such Classes. However, if specifically stated in the Leaflet for a particular Fund, the Directors may elect to pay dividends out of either (i) net income only and shall not take net gains into account when determining any dividend that might be declared or (ii) net income and net realised gains (realised gains less realised losses) and shall not take net unrealised gains into account when determining any dividend that might be declared. Income for these purposes shall include, without limitation, interest income and dividend income and any other amounts treated as income in accordance with the accounting policies of the Trust laid down from time to time.

Where the Directors determine that a dividend is payable, it will be payable in respect of those Classes of Units within a Fund that have been designated as distributing Classes.

Dividends, when declared, will be paid within four months after the relevant Accounting Date by bank transfer to the Unitholders. Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically and will revert to the relevant Fund without the necessity for any declaration or other action by the Manager or the Trust.

In respect of dividend amounts that are unable to be paid and until such time as such dividend amount has been paid to the Unitholder, in the event of the Trust or the relevant Fund becoming insolvent, the Unitholder will rank as a general unsecured creditor of the Trust or relevant Fund in respect of such a dividend amount.

## 1.8 Umbrella Fund Cash Accounts

In connection with the processing of subscriptions, redemptions, distributions or other relevant payments to or from investors or Unitholders, one or more umbrella fund cash accounts may be operated in respect of the Trust, in accordance with the requirements of the Central Bank. Any balances on such accounts shall belong to the Trust or the relevant Fund and are not held on trust on behalf of any investors or Unitholders or any other persons.

Cash subscriptions received in advance of the relevant Dealing Day will be treated as an asset of the relevant Fund in cash in an umbrella fund cash account until the relevant Dealing Day, at which time the Units will be issued and the investor will become a Unitholder in the relevant Fund. In respect of such subscription proceeds received in advance of the relevant Dealing Day and until such time as the Units have been issued to the investor, in the event of the Trust or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Trust or relevant Fund in respect of such subscription proceeds.

Should the Manager be unable to issue Units to an investor who has paid the requisite subscription amount to the Trust but has yet to provide the Manager or the Registrar and Transfer Agent with all requisite information or documentation in order to verify the investor's identity, the Depositary shall ensure that in the event that such subscription proceeds cannot be applied, it will return such subscription proceeds to the relevant investor within five working days.

The Manager may temporarily borrow an amount equal to a subscription amount, subject to a Fund's borrowing limits as set out in this Prospectus, and invest the amount borrowed in accordance with the investment objective and policies of the Fund. Once the required subscription monies have been received, the Manager will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Manager, on behalf of the Trust, reserves the right to charge that Unitholder for any interest or other costs incurred by the Manager as a result of this borrowing. If the Unitholder fails to reimburse the Manager for those charges, the Manager will have the right to sell all or part of the investor's holdings of Units in the Fund in order to meet those charges and/or to pursue that Unitholder for such charges.

In respect of a dividend payment declared and owing to a Unitholder that is unable to be paid for any reason whatsoever, such as, for example, if the relevant Unitholder has not provided the requisite information or documentation to the Manager or the Registrar and Transfer Agent, such distribution amount will be treated as an asset of the relevant Fund in cash in an umbrella fund cash account until such time as the reason for the Manager or the Registrar and Transfer Agent being unable to pay the distribution amount to the relevant Unitholder has been addressed, at which point the Manager or the Registrar and Transfer Agent shall pay the distribution amount to the Unitholder. In this regard, the relevant Unitholder should seek to promptly address the reason for the Manager or the Registrar and Transfer Agent being unable to pay the distribution amount to the relevant Unitholder. In respect of such distribution amounts that are unable to be paid and until such time as such distribution amount has been paid to the Unitholder, in the event of the Manager or the relevant Fund becoming insolvent, the Unitholder will rank as a general unsecured creditor of the Trust or relevant Fund in respect of such a distribution amount.

In respect of a redemption request, the Manager or the Registrar and Transfer Agent may refuse to remit the redemption proceeds until such time as the Unitholder has provided the requisite information or documentation to the Manager or the Registrar and Transfer Agent, as requested by the Manager or the Registrar and Transfer Agent from time to time. In such circumstances, the Registrar and Transfer Agent will process the redemption request received by the Unitholder, at which point in time the Unitholder will no longer be considered a

Unitholder of the relevant Fund and the proceeds of that redemption shall be treated as an asset of the relevant Fund in cash in an umbrella fund cash account until such time as the Manager or the Registrar and Transfer Agent has received all requisite information or documentation and has verified the Unitholder's identity to its satisfaction, following which the redemption proceeds will be released. In this regard, the relevant Unitholder should seek to promptly address the reason for the Manager or the Registrar and Transfer Agent being unable to pay the redemption proceeds to the relevant Unitholder. In respect of such redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the investor, in the event of the Manager or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Trust or relevant Fund in respect of such redemption proceeds.

For information on the risks associated with umbrella fund cash accounts, see "Risks Associated with Umbrella Fund Cash Accounts" in the section entitled "Risk Factors" below.

## **1.9 Risk Factors**

Potential investors in the Trust should understand that all investments involve risks. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Trust. Prospective investors are strongly urged to consult their own professional advisers before deciding to invest in the Trust:-

### **General**

The investments in the Fund are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them and therefore the value of, and income from, the Units in the Fund may go down as well as up and an investor may not get back the amount they invest. An investor who redeems Units after a short period may, in addition, not realise the amount originally invested in view of any subscription charge or redemption charge made on the issue or redemption of Units and accordingly the investment should be viewed as medium to long term.

### **Currency Risks**

The Fund's assets may, unless otherwise noted, be invested in securities denominated in currencies other than the relevant currency of such Fund and any income received by such Fund from its investments will be received in the currencies of such investments, some of which may fall in value against the relevant currency of such Fund. The Fund will compute its Net Asset Value and make any distributions in the denomination of the Units; there is therefore a currency exchange risk which may affect the value of the Units to the extent that the Fund makes investments in currencies other than the relevant currency of the Fund.

### **Default Risk**

Investments in fixed income securities, specifically those which are rated below Investment Grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by in-depth credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

Below Investment Grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than Investment Grade debt securities and may decline significantly in periods of general economic difficulty.

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

### **Liquidity Risk**

Liquidity is the ability to sell the investments that a Fund holds within a reasonable amount of time at approximately the price at which the Fund has valued the investments, which relies on the willingness of market participants to buy and sell investments. Certain investments may be difficult to purchase and sell, particularly during adverse market conditions, because there is a limited market for the investment or there are restrictions on resale. If a Fund holds illiquid securities, it may be unable to take advantage of market opportunities or it may be forced to sell other, more desirable, liquid securities or sell illiquid securities at a loss if it is required to raise cash to satisfy redemption requests.

It is likely that below Investment Grade securities may offer less liquidity than Investment Grade securities. Accordingly, there may be no readily available market for the timely liquidation of certain investments made by the Fund in such investments.

The Manager will monitor the liquidity of the investments held by a Fund and will seek to ensure that, together with the use of borrowing and redemption deferrals, if these are deemed necessary, redemption requests are always capable of being met as they fall due. In this regard, the Manager will maintain an adequate and documented liquidity management policy in accordance with the requirements of AIFMD. The Manager's liquidity management policy will include such procedures as are necessary to enable the Manager to assess and monitor the liquidity risk to which each Fund and the Trust is or may be exposed (including conducting regular stress tests under normal and exceptional liquidity conditions) and to ensure that the liquidity profile of the investments of each Fund comply with the Trust's underlying obligations.

### **Yield and Market Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

Investment in the Trust should be viewed as a long term investment.

### **Counterparty and Broker Credit Risk**

The Trust will be exposed to the credit risk of the counterparties or the brokers and dealers and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions. The Trust may be subject to risk of loss of its assets held by a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Trust, or the bankruptcy of an exchange clearinghouse.

### **Derivatives Risk**

Price movements of forward contracts, futures contracts, options, contracts for difference and other derivative contracts in which the Trust's assets may be invested are influenced by among other things, interest rates, changing supply and demand relationships, trade, fiscal,



monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since there is generally less government supervision and regulation of foreign stock exchange and clearing houses than in more developed markets, the Trust may also be subject to the risk of the failure of the exchanges on which its positions trade or of their clearing houses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

### **Qualifying Investor Scheme**

As the Trust is deemed to be an investment scheme marketed solely to Qualifying Investors under the AIF Rulebook, the Central Bank has not set any limits or other restrictions on the investment objective, the investment policies or on the degree of leverage which may be employed by the Trust.

The Trust is not intended to be a complete investment programme for any unitholder. It is designed only for investors who are able to bear the risk of an investment, including the risk of losing the entire amount invested plus accrued profits. There can be no assurance that the Trust will achieve its investment objective. The value of Units may go down as well as up and there can be no assurance that on redemption or otherwise investors will receive back the amount originally invested.

### **Credit Risk**

Credit risk refers to potential losses due to default, such as an issuer's failure to pay coupons or principal of a bond. Another type of credit risk is the risk of settlement failure, that is, the failure of a counterparty to deliver or pay for securities.

### **Valuation Risk**

The Trust may undertake transactions with or through a counterparty related to the Manager. Due to the nature of certain investments of the Trust, the counterparty may be the only party who can provide a valuation of such investments. As such, it may not always be possible to obtain a valuation from an independent third party. If such a situation arises, the Trust will seek to ensure that the counterparty will execute the transactions on normal commercial terms which are negotiated at arms' length.

### **Leverage Risk**

The Trust's possible use of borrowing, leverage or derivative instruments may result in certain additional risks. Leveraged investments, by their nature, increase the potential loss to investors resulting from any depreciation in the value of such investments. Consequently, a relatively small price movement in the security underlying a leveraged instrument may result in a substantial loss to the Trust.

### **Market, Economic and Regulatory Changes**

Changes in market and economic conditions, tax or other laws or regulations or accounting standards and/or government intervention in markets may have an adverse effect on the Trust's investments and on Unit value. The likelihood of these types of adverse changes and the extent to which they may affect the business of the Trust cannot be accurately predicted.

## Technology Risk

Financial and business organisations and individuals doing business with the Trust could be adversely affected if the computer systems used by its service providers or other organisations with which any of them deal do not properly process and calculate transactions as a result of systems or technologies failures.

## Risks Associated with Umbrella Fund Cash Accounts

An umbrella fund cash account will operate in respect of the Trust rather than a relevant Fund and the segregation of investor monies from the liabilities of Funds other than the relevant Fund to which the investor monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Trust.

In the event of an insolvency of a Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to investor monies) in full.

Monies attributable to other Funds will also be held in the umbrella fund cash accounts. In the event of the insolvency of a Fund (an “**Insolvent Fund**”), the recovery of any amounts to which another Fund (the “**Beneficiary Fund**”) is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the umbrella fund cash account, will be subject to applicable law and the operational procedures for the umbrella fund cash account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies and all requisite documentation associated with its subscription application within the timeframe stipulated in the applicable Leaflet, the investor will be required to indemnify the Fund against the liabilities that may be incurred by it. The Manager may cancel any Units that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Manager is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Unitholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the umbrella fund cash account. Any interest earned on the monies in the umbrella fund cash account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Unitholders at the time of the allocation.

## Cybersecurity Risk

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Unitholder data, or proprietary information, or may cause the Trust, the Manager, the Investment Manager, the Depositary or the Registrar and Transfer Agent to suffer data corruption or lose operational functionality. The Funds may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft

of Unitholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Trust, the Manager, the Investment Manager, the Depositary, the Registrar and Transfer Agent or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Unitholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Unitholders, could potentially lose all or a portion of their investment with that issuer.

## **MiFID II**

The package of European Union market infrastructure reforms known as "MiFID II" (Markets in Financial Instruments Directive 2014/65/EU) is expected to have a significant impact on the European capital markets. MiFID II, which took effect from 3 January 2018, will increase regulation of trading platforms and firms providing investment services, including the Investment Manager.

Among its many reforms, MiFID II will bring in significant changes to pre- and post-trade transparency obligations in respect of financial instruments admitted to trading on EU trading venues, including a new transparency regime for non-equity financial instruments; an obligation to execute transactions in shares and derivatives on a regulated trading venue; and a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets, and an increase in transaction costs, and, as a consequence, may have an adverse impact on the ability of the Investment Manager to execute the investment program effectively.

New rules requiring unbundling the costs of research and other services from dealing commission and further restrictions on the Investment Manager's ability to receive certain types of goods and services from brokers may result in an increase in the investment-related expenditure of the relevant Fund and/or negatively impact the Investment Manager's ability to access investment research.

In addition to the risks set out above, any risks specific to a particular Fund will be as set out in the applicable Leaflet.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Prospectus and consult with their own advisers before deciding to invest in the Fund.

## **Data Protection Risk**

In order to maintain security and to prevent processing in infringement of Data Protection Law, the Manager or the Registrar and Transfer Agent, where acting as a “data controller” is required to evaluate the risks inherent in the processing and implement measures to mitigate those risks, such as encryption. Such measures are required to ensure an appropriate level of security, including confidentiality, taking into account the state of the art and the costs of implementation in relation to the risks and the nature of the personal data to be protected. Potential investors and Unitholders should be aware that certain data security risks can arise by processing of personal data, such as accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed which may in particular lead to physical, material or non-material damage. There may be instances where processing operations by the Manager and/or the Registrar and Transfer Agent is likely to result in a high risk to the rights and freedoms of potential investors or shareholders, however, the relevant data controller will be responsible for the carrying out of a data protection impact assessment to evaluate, in particular, the origin, nature, particularity and severity of any such risk. A personal data breach may, if not addressed in an appropriate and timely manner, result in physical, material or non-material damage to potential investors or Unitholders such as loss of control over their personal data or limitation of their rights, discrimination, identity theft or fraud, financial loss, damage to reputation, loss of confidentiality of personal data protected by professional secrecy or any other significant economic or social disadvantage to the natural person concerned and/or to the Trust.

### **Changes in the UK Political Environment**

From 1 January 2021, European Union laws ceased to apply in the UK, following the UK’s withdrawal from the membership of the European Union (commonly known as “**Brexit**”).

While the ongoing impact of Brexit remains unclear (and may remain uncertain for some time), it could have a significant adverse impact on the UK, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty could continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the European Union, including companies or assets held or considered for prospective investment by the Trust.

The withdrawal of the UK’s membership from the EU may also adversely affect the ability of UK service providers or UK counterparties to access markets, make investments or enter into agreements (on either their own behalf or on behalf of the Trust or a Fund), or continue to work with non-UK counterparties and service providers, all of which may result in increased costs to the Trust and/or a Fund. It is possible that UK investors in the Trust may be subject to fewer protections than EU investors in the Trust.

### **Pandemic could result in adverse performance of the Funds**

The spread of COVID-19 has adversely affected markets and world economies. There remains significant uncertainties in assessing the impact of COVID-19, and how this will evolve through the coming years and beyond. A prolonged period of significantly reduced economic activity as a result of the impact of the outbreak could have a material adverse effect on a Fund and/or the Unitholders, which could be more or less adverse depending on, among other things: geographical range, infection rates, severity and mortality of the virus; the types of measures taken by governments and private organizations to prevent the spread of the virus; and the effect of the virus on global markets and interest rates.

## **Sanctions**

There is an obligation to comply with any financial sanctions imposed by either the United Nations or the European Union. Financial sanctions may negatively impact the ability of a Fund to buy, sell, hold, receive, deliver or otherwise transact in certain affected securities or other investment instruments. In situations where countries are sanctioned, any retaliatory counter measures taken by the sanctioned country and/or any actions that may be taken in the future in response to the imposition of these sanctions may further impair the value and liquidity of securities. Such sanctions, associated counter measures and the resulting disruption of the economic and political landscape, may cause volatility in other regional and global markets and may negatively impact the performance of various sectors and industries, which could have a negative effect on the performance of a Fund, even if a Fund does not have direct exposure to sanctioned countries.

The scope and scale of sanctions, together with measures imposed by the Central Bank in respect of restricted fund assets and fund investors, put in place at a particular time may be expanded or otherwise modified in a way that have negative effects on a Fund. These actions, even threatened, may result in the weakening of a sanctioned country's currency, a downgrade in such entity or country's credit rating, an immediate freeze of assets, securities and/or funds invested in prohibited assets, a decline in the value and liquidity of its securities, property or interests, and/or other adverse consequences to the sanctioned country's economy.

## **2. FEES, COSTS AND EXPENSES**

### **2.1 Management Fee**

Management fees of up to 2.0% per annum of the Net Asset Value of each Fund are payable to the Manager in respect of each Fund. The management fee is calculated by reference to the Net Asset Value of the relevant Fund and accrues daily at the Valuation Point and is payable quarterly in arrears. The Manager is entitled to be reimbursed out of the assets of the Trust the expenses incurred by it in the performance of its duties as Manager of the Trust.

### **2.2 Investment Manager/Investment Adviser Fee**

The Manager will be liable to pay the annual fees and charges of any investment manager or investment adviser appointed in respect of a Fund out of the fees payable to the Manager.

In circumstances where an investment manager appoints an investment adviser directly in respect of a particular Fund, the investment manager will discharge the fees of the investment adviser out of its own Investment Management fee (as further set out in the relevant Leaflet for a Fund).

### **2.3 Depositary Fee**

Subject as provided below the Depositary shall be entitled to receive (in respect of each Fund) a fee not exceeding 0.03% per annum of the market value of investments of each Fund calculated daily. This fee is payable monthly in arrears. The Depositary shall also be entitled to receive custody fees ranging from 0.0075% to 0.40% calculated by reference to the market value of the investments that the Fund may make in each relevant market. The Depositary is entitled to be reimbursed out of the assets of the Trust the expenses (including fees and expenses of sub-custodians and any transaction charges which shall be at normal commercial rates) incurred by it in the performance of its duties as Depositary of the Trust.

## 2.4 Registrar and Transfer Agency Fees

The Registrar and Transfer Agent shall be entitled to the payment of fees for acting as registrar and transfer agent to the Trust which shall be payable out of the management fees payable to the Manager. Transaction costs (which are charged at normal commercial rates) are based on transactions undertaken by each Fund, the number of subscriptions, redemptions, exchanges and transfer of Units processed by the Registrar and Transfer Agent shall be payable out of the assets of the relevant Fund.

## 2.5 Performance Fee

The Investment Manager may also be entitled to a performance related investment management fee, details of which will be set out in the applicable Leaflet for a Fund.

### *Benchmarks Regulation*

In line with the Benchmarks Regulation (Regulation (EU) 2016/1011) (the “**Benchmarks Regulation**”) the Manager maintains a robust written plan setting out the actions to be taken in the event that a benchmark materially changes or ceases to be provided. This written plan nominates one or several alternative benchmarks that could be referenced to substitute the benchmarks no longer provided, indicating why such benchmarks would be suitable alternatives

## 2.6 Investment Research Charge

From 3 January 2018, following the implementation of MiFID II, the relevant Fund may be charged for investment research in line with the Research Payment Account (RPA) model.

Details of any such charges shall be set out in the relevant Leaflet for each Fund. Any investment research charge, which is payable to brokers, is calculated by reference to the Net Asset Value of the relevant Fund and accrues daily at the Valuation Point and is payable on periodical instruction from the Investment Manager. The charge is paid into a research payment account (RPA) which is controlled by the Investment Manager appointed in respect of the relevant Fund.

## 2.7 Other Expenses

Brokerage commission which, together with the Depositary's fees and fees payable to the Independent Auditors and in respect of advice on taxation, will be paid by the Trust. In addition, the Trust is responsible for expenses incurred by it in connection with registration to permit or facilitate the sale of Units in particular jurisdictions, expenses of meetings of the Trust and legal charges in connection with the Trust's corporate existence and financial structure. Upon each issue of Units, no capital duty will be payable. The Trust is responsible for all other normal operating and administrative expenses such as any settlement and stock exchange charges, legal expenses and stock exchange listing charges, securities and unit settlement processing fees, transfer taxes as well as translation and typeset costs.

All fees and expenses incurred by the Trust, the Manager and/or its affiliates in connection with the management, marketing and advertising of the Trust and all other charges or expenses payable by the Manager or the Trust and any other supplier of services to the Manager or to the Trust (including VAT thereon) as agreed between the Manager and the relevant supplier of services, are payable out of the assets of the Trust. Such expenses may include, but are not limited to, any costs or expenses associated with the appointment of the Directors, such as director and officer insurance.

### 3. MANAGEMENT AND ADMINISTRATION

#### 3.1 Board of Directors

The Directors of the Manager of the Trust are responsible, *inter alia*, for the establishment, management and control of the Trust and its Funds.

The following are the Directors of the Manager:

**Keith Milne** is the CEO of Universal Investment Ireland. He joined the company in 1998 as Fund Accounting Manager, later to become Operations Manager. Mr. Milne worked as a Fund Administrator at Midland Bank Trust Corporation (Cayman) Limited (a member of the HSBC Group) and previously as an Audit Senior specialising in the area of Investment Funds with Coopers & Lybrand (Grand Cayman). Mr. Milne qualified and practised as a Chartered Accountant with Coopers & Lybrand in Dublin. Mr. Milne is an Irish resident.

**Damien Owens** is the COO of Universal Investment Ireland. He joined the company as the Fund Accounting Manager in 1999, progressing to IT Services and Back Office Support Manager and was later appointed Operations Manager. Before joining the company, Mr. Owens was a Fund Administrator with Korea Exchange Bank (Dublin). Mr. Owens holds a Bachelor of Arts (Hons.) in Accounting and Finance awarded by Dublin City University (DCU) and is a Fellow of the Chartered Association of Certified Accountants (FCCA). Mr. Owens is an Irish resident.

**Victor Bemmman** has been part of Universal Investment since December 2019 as Head of Portfolio Management and is part of the company's Board of Management. He has more than 10 years of experience in Portfolio Management of multi-asset and overlay portfolios for institutional clients. Victor Bemmman was previously employed as Head of Overlay Management with DWS. He has a diploma in mathematics and is a German resident.

**Alison Manley** has over 25 years' experience evaluating and developing funds and financial products and is an experienced non-executive director of Irish regulated UCITS, AIFs and fund management companies. Alison established and was CEO of Goodbody Fund Management, a Super ManCo specialising in private equity and real estate assets, a position she held until May 2022. In her 18 years at Goodbody her responsibilities included the evaluation and selection of third party funds with a particular focus on alternative strategies, development of structured products, establishment and expansion of credit union investment services and financial planning for high net worth individuals. During her time with Goodbody, Alison had served as a member of Goodbody Stockbroker's Asset Allocation Committee, chaired the Alternative Assets Committee and participated in and chaired working groups for Irish Funds. Prior to joining Goodbody, Alison held product development and technical marketing positions in several wealth management and insurance companies. She has a degree in International Marketing and Languages from Dublin City University, is a Registered Stockbroker, a Certified Financial Planner and a Certified Investment Fund Director.

**Katja Müller** is Chief Customer Officer and Managing Director of Universal Investment Group. She has 25 years' experience in the financial industry. She joined the company in 2014 and is now responsible for all customer business with asset managers and institutional investors and therefore for sales across the group. Prior to joining Universal Investment, Ms Müller worked for Deutsche Bank Group, where her responsibilities included managing the platform business with external partners in Asset Management. Ms Müller is a German resident.

The number of Directors unless otherwise determined by the Unitholders is not to be less

than 2. The prior approval of the Central Bank is required for any election or appointment of a Director.

### **3.2 The Manager**

Universal Investment Ireland Fund Management Limited (trading as Universal Investment Ireland) has been appointed as Manager to the Trust pursuant to the Trust Deed to be responsible for the continuing operation and overall management and administration of the Trust's affairs including the management of the investments and the valuation of the Trust's assets. The Trust Deed allows the Manager, with the prior approval of the Central Bank and in accordance with the AIF Rulebook, to delegate investment management duties in respect of the Funds to other parties.

The Manager was incorporated in Ireland on 8 August 1994 with registered number 220548 and is a private company limited by shares under the Companies Act 2014. It has an authorised share capital of €600,000 divided into 1,200,000 shares of €0.50 each. At the date hereof 1,200,000 shares of €0.50 each are in issue which are fully paid up and are owned by Universal-Beteiligungs- und Servicegesellschaft mbH and registered in its name or the names of its nominees. The Manager also acts as manager of Metzler International Investments p.l.c. Metzler Premier Funds p.l.c, both UCITS umbrella investment companies and Universal Investment Ireland UCITS Platform ICAV, a UCITS ICAV. The Manager also acts as manager of Metzler Opportunities Trust and Metzler Global Investments Trust, UCITS umbrella unit trusts and Metzler Fund Solutions p.l.c. and Systematic Strategies Fund ICAV, both qualifying investor alternative investment funds ("QIAIF").

The Manager is authorised by the Central Bank as an Alternative Investment Fund Manager ("AIFM") pursuant to the AIFMD and the AIF Rulebook.

The Secretary of the Manager is HMP Secretarial Limited.

The Directors of the Manager are as set out in Section 3.1.

The Manager shall without prejudice to any indemnity allowed by law or elsewhere, and subject to the provisions of Clause 23 of the Trust Deed, be indemnified in respect of all liabilities and expenses properly incurred by it in the execution or purported execution of any powers, duties, authorities or discretions vested in it pursuant to the Trust Deed or the terms of its appointment and against all actions, proceedings, costs, claims, damages, expenses and demands in respect of any matter or thing done or omitted or suffered in any way relating to the Trust or to any of its Funds (other than by reason of the Manager's negligence, fraud, bad faith, wilful default or recklessness in the performance of its duties). In addition, the Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put arising out of or in connection with an indemnity that may hereafter be given by it (acting for itself and on behalf of the Trust) to any party supplying administration services to the Trust to have recourse to the Fund save where any liability on foot of such indemnity arises by reason of the negligence, bad faith, wilful default, recklessness or fraud of the Manager in the performance of its duties hereunder. For as long as the Trust subsists, the Manager shall continue to act as Manager of the Trust save as otherwise provided in exceptional circumstances outlined in the Trust Deed.

To cover potential professional liability risks resulting from activities which the Manager may carry on as the Trust's AIFM, the Manager has professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

The appointment of a new AIFM to the Trust must be approved by the Central Bank.



### 3.3 Remuneration Policy

An effective remuneration policy of the Manager (the “**Remuneration Policy**”) has been put in place by the Manager which complies with AIFMD and the ESMA Guidelines on sound remuneration policies under AIFMD (the “**Guidelines**”).

The Manager believes that the Remuneration Policy is in line with the strategy, objectives, values and interests of the Manager, the Trust, the Funds and the Unitholders and includes measures to avoid conflicts of interest. In particular, the Remuneration Policy provides that the remuneration of the identified staff should not contain any variable or performance related element and accordingly it promotes sound and effective risk management.

Furthermore, the Investment Manager (being the only entity to which portfolio management activities are delegated by the Manager) is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the Guidelines or is subject to appropriate contractual arrangements in order to ensure that there is no circumvention of the remuneration rules set out in the present guidelines.

Details of the up-to-date remuneration policy of the Manager, including, but not limited to a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits are available by means of a website at <https://www.universal-investment.com/en/Corporate/Compliance/Ireland/>. In addition, a paper copy will be made available to investors free of charge upon request.

### 3.4 Depositary

Brown Brothers Harriman Trustee Services (Ireland) Limited has been appointed as Depositary and shall be responsible for all of the Trust’s assets pursuant to the Trust Deed. The Depositary is responsible for the safe-keeping of all of the assets of the Trust delivered to it or to any sub-custodian appointed by it, and will carry out the other functions and obligations required to be performed by it as Depositary pursuant to the provisions of the Trust Deed. Its remuneration is paid out of the Trust in accordance with section 2.3.

The Depositary was incorporated in Ireland as a limited liability company on 29 March 1995 and is a wholly owned subsidiary of Brown Brothers Harriman & Co. The Depositary has been approved by the Central Bank to act as Depositary for the Trust. The Depositary was incorporated to provide trustee and custodial services to collective investment schemes such as the Trust.

The Depositary shall exercise due care in the discharge of its duties and shall be liable to the Manager and the Unitholders for any losses, claims or demands arising from the Depositary’s negligence, fraud, bad faith, wilful default or recklessness in the performance of those duties.

The Depositary has the ability to discharge its liability in certain circumstances as set out in more detail in the Trust Deed, provided always that the Trust expressly consents to such discharge arrangements. The Manager will inform investors prior to their investment in the Trust of any arrangement made by the Depositary to contractually discharge itself of any liability. The Manager will also inform Unitholders of any changes with respect to the Depositary’s liability without delay.

Under the terms of the Trust Deed the Depositary has full power to delegate the whole or any part of its custodial functions to sub-custodians. The liability of the Depositary will not be affected by the fact that it has entrusted to a third party some or all of the investments of the Trust for safe keeping. In order for the Depositary to discharge its responsibility under the AIF Rulebook, the Depositary must exercise care and diligence in choosing and appointing

sub-custodians so as to ensure they have and maintain the expertise, competence and standing appropriate to discharge their responsibilities as sub-custodians. The Depositary must maintain an appropriate level of supervision over the sub-custodians and make appropriate inquiries from time to time to confirm that their obligations continue to be competently discharged. This does not purport to be a legal interpretation of the AIF Rulebook.

Either party may terminate the Trust Deed by giving not less than 90 days' notice in writing to the other party. The Depositary shall not be entitled to retire voluntarily except upon the appointment of a new Depositary which must be approved by the Central Bank.

### **3.5 Registrar and Transfer Agent**

The Manager has appointed RBC Investor Services Ireland Limited to act as registrar and transfer agent in respect of the Trust pursuant to the terms of the Registrar and Transfer Agency Agreement.

The Registrar and Transfer Agent is a company incorporated with limited liability in Ireland on 31 January 1997. The Registrar and Transfer Agent is engaged in the business of, *inter alia*, providing fund administration services to and in respect of collective investment undertakings and investment companies.

The Registrar and Transfer Agent is a wholly-owned subsidiary of the Royal Bank of Canada Group.

The Registrar and Transfer Agency Agreement provides, *inter alia*, that:

- (i) the appointment of the Registrar and Transfer Agent shall continue and remain in force unless and until terminated by any party giving to the other not less than 90 days' prior written notice. The agreement may be terminated immediately upon the occurrence of certain specified events, including, *inter alia*, either party (a) going into liquidation or on the appointment of a receiver, (b) ceasing to be authorised or permitted to act in its current capacity, or (c) commits a material unremedied breach of the agreement. The Manager may terminate the agreement with immediate effect if it is in the best interest of the Unitholders to do so;
- (ii) the Manager shall indemnify the Registrar and Transfer Agent, out of the assets of the relevant Fund, against all demands, claims, actions, proceedings, losses, damages or other liabilities and properly documented and reasonable costs and expenses (including but not limited to reasonable attorney's fees and expenses) incurred by the Registrar and Transfer Agent, its officers, employees, agents and representatives, in the performance of any of its obligations or duties under the Registrar and Transfer Agency Agreement including, without limitation, acting on proper instructions other directions under which it is authorised to act or rely pursuant to the Registrar and Transfer Agency Agreement, other than by reason of its fraud, negligence or wilful misconduct;
- (iii) the Registrar and Transfer Agent is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section entitled "*Fees, Costs and Expenses*".

## **4. ISSUE AND REDEMPTION OF UNITS**

### **4.1 Form of Units**

Units in each Fund will be issued in registered form. Written confirmation of entry in the Register of Unitholders will be despatched to the Unitholder named in the application form or in the case of joint holdings to the Unitholder who is first named in the Register of Unitholders. Unit certificates shall not be issued.

## 4.2 Issue of Units

The Units in each Fund will be available for subscription on any Dealing Day, except where there is a suspension of issues and redemptions.

Applicants for Units are advised that applications are considered and Units are issued subject to the terms and conditions of application set out in the application form.

All investors seeking to subscribe for Units in a particular Fund must submit an application form to the Registrar and Transfer Agent either:

- directly; or
- through a Recognised Clearing System (for onward transmission to the Registrar and Transfer Agent).

In order to subscribe for Units in a Fund, applicants must first open an account with the Registrar and Transfer Agent and in order to do so, applicants must complete the initial subscription application form (available from the Registrar and Transfer Agent or the Manager) and send it promptly by post, delivery or fax (with the original signed form and supporting documentation in relation to anti-money laundering checks to follow immediately) to the Registrar and Transfer Agent. An applicant's initial subscription will be effected on the next Dealing Day falling after the investor's account with the Registrar and Transfer Agent has been opened.

Following an investor's initial subscription for Units, each Unitholder will be required to complete an additional subscription form (available from the Registrar and Transfer Agent or the Manager) for subsequent subscriptions for Units, and send it promptly by post, delivery or fax (with the original signed form and supporting documentation in relation to anti-money laundering checks to follow immediately, if required) to the Registrar and Transfer Agent to be received no later than the Dealing Deadline.

Alternatively, subsequent subscriptions for Units may also be posted by electronic dealing, such as SWIFT (an "**Electronic Application**"), without a requirement to submit original documentation, and subject to prior agreement with the Registrar and Transfer Agent, for onward transmission to the Registrar and Transfer Agent, but to the exclusion of unsecured or deemed unsecured media such as e-mail. Electronic Applications must be received by the Registrar and Transfer Agent by the Dealing Deadline in respect of the relevant Dealing Day as set out in the applicable Leaflet. Investors will not be obliged to deal by way of Electronic Application.

The Registrar and Transfer Agent or the Manager reserve the right to refuse any means of communication they would consider as not sufficiently secure or, alternatively, not technically feasible. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation or appropriately secure electronic instruction.

Applications not received or incorrectly completed applications received by the Registrar and Transfer Agent by the times stipulated above shall be automatically held over and applied on the next following applicable Dealing Day or until such time as a properly completed application form is received by the Registrar and Transfer Agent on the date on which it is processed. The Manager may, in exceptional circumstances, accept applications for Units for a

Dealing Day after the Dealing Deadline provided that such applications are received before the Valuation Point for the relevant Dealing Day. The Manager will determine whether the circumstances are exceptional and the rationale for this decision will be documented.

Subscription monies must be received by the Registrar and Transfer Agent, for the account of the relevant Fund, by no later than, (a) in the case of a subscription being made during the initial offer period for a particular Class of Units, the date on which the initial offer period closes, and (b) thereafter, once the initial offer period for the relevant Class of Units has closed, within three Business Days of the relevant Dealing Deadline (or such longer period as the Manager may determine). Details in relation to the initial offer period and the Dealing Deadline for each Fund shall be set out in the applicable Leaflet.

If payment in full has not been received by the relevant times stipulated above, the Manager may cancel the allotment and the Unitholder shall indemnify and hold harmless the Trust, the Manager, the Investment Manager, the Registrar and Transfer Agent and the Depositary for any loss, cost or expense suffered by them as a result of a failure by the Unitholder to pay the subscription monies by the relevant time. In the event that the Manager is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts for which the relevant Fund, and consequently the Unitholders, may be liable.

Before subscribing for Units, an applicant who is not Resident in Ireland or is an Exempt Irish Investor will be required to complete a declaration in a form prescribed by the Revenue Commissioners of Ireland. Such declaration will be included in the application form, which is available from the Registrar and Transfer Agent or the Manager.

Unitholders are required to notify the Registrar and Transfer Agent immediately of any change in information or their status with respect to the eligibility requirements described herein and in the application form and furnish the Registrar and Transfer Agent with whatever additional documents relating to such change as it may request.

The Manager may, in its discretion, reject any application for Units in full or in part. Amounts paid in respect of subscription applications which are rejected (or, in the case of applications which are not accepted in full, the balance of the amount paid) will be returned to the applicant, subject to applicable law, at his/her own risk and expense without interest.

By submitting an application form to the Registrar and Transfer Agent, an investor makes an offer to subscribe for Units which, once it is accepted, has the effect of a binding contract. Upon the issue of Units, a prospective investor will become a Unitholder. Pursuant to its terms, the application form is governed by, and construed in accordance with, the laws of Ireland.

The Subscription Price is the Net Asset Value per Unit, subject to the possible addition of the subscription charge referred to in the Leaflet of the Fund in question and a rounding (which may be upwards) of the resulting total by not more than 1%, at which the Units will be allotted on the Dealing Day.

The relevant Net Asset Value per Unit for these purposes is the Net Asset Value per Unit calculated by the Manager as at the Valuation Point in respect of the relevant Dealing Day.

In the event that the applicant does not effect settlement for the subscription of Units within a reasonable time, being ten Business Days from the Dealing Deadline or such other time as the Directors may determine from time to time, the Trust shall not issue, or if issued shall cancel the Units issued in respect of such an application.

If the Directors and the Depositary are satisfied that the terms of an exchange are not such as are likely to result in any material prejudice to existing Unitholders, the Directors may, in their absolute discretion, allot Units on terms providing for settlement to be made by the vesting in the Depositary on behalf of the Trust of any securities, bonds or other assets of whatsoever nature and wheresoever situate that may be acquired by the Trust in conformity with the AIF Rulebook and the investment objective and investment policy and any investment restrictions of each Fund as determined from time to time by the Directors. The value of the securities to be vested in the Trust shall be determined by the Directors on the same basis as that provided for the Trust Deed or determining the Net Asset Value of a Fund. For the avoidance of doubt, the Trust Deed provides that, in determining the number of Units to be issued in exchange for the vesting in the Depositary on behalf of the Trust of securities, bonds or other assets, the Subscription Price for such Units shall be determined in accordance with the provisions setting out how the Subscription Price is determined generally. For the avoidance of doubt, the number of Units issued shall not exceed the number that would have been issued for the cash equivalent.

Where any subscription monies are not an exact multiple of the Subscription Price per Unit of the Fund applied for, a fraction of a Unit may be issued at the discretion of the Registrar and Transfer Agent.

The issue of Units may be suspended in the circumstances mentioned in Section 4.8 of this Prospectus.

Any reference in this Prospectus to the registered address of a Unitholder shall be to their address as shown in the Register of Unitholders of the Trust, or in the case of joint Unitholders, the address shown therein for the first named of such Unitholders.

In respect of subscription proceeds received in advance of the relevant Dealing Day and until such time as the Units have been issued to the investor, in the event of the Trust or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Trust or relevant Fund in respect of such subscription proceeds.

Subscription Prices will be available on request from the Manager, whose determination of the Subscription Price shall be conclusive in the absence of manifest error.

A subscription charge payable to the Manager or its agent to cover distribution costs up to 5% of the Net Asset Value of the relevant Units may be charged on subscription. The subscription charge for each Fund shall be specified in the Leaflet for such Fund.

By submitting an application form to the Manager, an investor makes an offer to subscribe for Units which, once accepted, has the effect of a binding contract. Upon the issue of Units, a prospective investor will become a Unitholder and will be bound by the terms of the Trust Deed. The Trust Deed is governed by, and construed in accordance with, the laws of the Ireland. Pursuant to its terms, the application form is also governed by, and construed in accordance with, the laws of Ireland. A Unitholder's liability to the Trust will generally be limited to the amount that they have paid for their Units. A Unitholder's rights in respect of its investment in the Trust or Fund are governed by the Trust Deed and the terms set out in this Prospectus, the Leaflet in respect of the relevant Fund and the application form.

Statutory enforcement in Ireland of civil or commercial judgments obtained in a foreign jurisdiction is available, subject to satisfying certain conditions, in respect of such judgments originating in other Member States (under Council Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and Council Decision 2006/325/EC of 27 April 2006 concerning the Agreement between the European Community and the Kingdom of Denmark on jurisdiction

and the recognition and enforcement of judgments in civil and commercial matters) and in respect of such judgments originating in Norway, Iceland or Switzerland (under the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters signed at Lugano on 30 October 2007 as applied in Ireland by Part IIIA of the Jurisdiction of Courts and Enforcement of Judgments Act 1998 as amended). Additionally, a final and unappealable judgment originating in any other foreign jurisdiction which imposes a liability to pay a liquidated sum will be recognised and enforced in the courts of Ireland at common law, without any re-examination of the merits of the underlying dispute, provided such judgment satisfies certain criteria.

#### **4.3 Staggered Launch of Classes**

The launch of various classes of Units within a Fund may occur at different times and, therefore, at the time of the launch of given classes of Units, the pool of assets to which a given class of Units relates may have commenced operations. Where relevant, further information in this regard will be available in the annual reports of the Fund which are sent to Unitholders and which will be made available to potential investors upon request.

#### **4.4 Redemptions of Units**

Applications for Redemptions should be submitted to the Registrar and Transfer Agent by the relevant Dealing Deadline either:

- directly; or
- through a Recognised Clearing System (for onward transmission to the Registrar and Transfer Agent).

Applications for Redemptions may be sent by post, delivery or fax (with the original to follow promptly) but redemption proceeds will not be remitted until the Registrar and Transfer Agent has received the original application form used for the initial subscription and any relevant anti-money laundering documentation. Redemption requests may also be submitted by way of Electronic Application, without a requirement to submit original documentation, and subject to prior agreement with the Registrar and Transfer Agent, for onward transmission to the Registrar and Transfer Agent, but to the exclusion of unsecured or deemed unsecured media such as e-mail.

Redemption requests must be received in advance of the relevant Dealing Deadline. Redemption requests received after the Dealing Deadline shall automatically be held over and applied on the next following applicable Dealing Day. The Manager may, in exceptional circumstances, accept redemption requests after the relevant Dealing Deadline provided that they are received before the Valuation Point for the relevant Dealing Day in respect of the relevant Fund. The Manager will determine whether the circumstances are exceptional and the rationale for this decision will be documented.

A request for a partial redemption of Units will be refused, or the holding may be redeemed in its entirety, if, as a result of such partial redemption, the aggregate net asset value of the Units maintained by the Unitholder would be less than any minimum holding set out in the particular Leaflet for the Fund.

Settlement for redemptions will normally be made by telegraphic transfer or other form of bank transfer to the bank account of the Unitholder specified in the application form (at the Unitholder's risk), within fourteen days of the relevant Dealing Deadline, provided the Registrar and Transfer Agent has received the correct redemption documentation, including all relevant anti-money laundering documentation. No payments to third parties will be effected.

Redemption proceeds will not be paid where an original signed application form and, where relevant, such other anti-money laundering documentation as is required in original format, has not been previously received from the investor. No redemption payment may be made from that holding until the original signed application form has been received from the Unitholder and all documentation required by the Registrar and Transfer Agent including any documents in connection with anti-money laundering procedures have been received and anti-money laundering procedures have been completed. Redemption requests will only be processed on receipt of faxed instructions where payment is made to a bank account on record. Where payment is to be made to a bank account not on record, the redemption request will be accepted by the Registrar and Transfer Agent if the redemption request is signed by an authorised signatory of the Unitholder. However, the redemption proceeds will not be released to the Unitholder until the bank account on record has been formally amended. Any amendments to an investor's registration details and payment instructions can only be effected upon receipt of original documentation. In addition, the Registrar and Transfer Agent or the Manager may refuse to process a redemption request unless proper information has been provided. The Registrar and Transfer Agent and the Manager shall be held harmless by the applicant against any loss arising as a result of such refusal. Any amendments to a Unitholder's registration details or payment instructions will only be effected upon receipt of original documentation by the Registrar and Transfer Agent.

In order for a request for redemption to be processed by the Registrar and Transfer Agent, a Unitholder will be required to acknowledge in the redemption request form that they understand that if they choose to give instructions by fax they do so at their own risk and that neither the Manager (for and on behalf of the relevant Fund) nor any of its agents (including the Investment Manager and the Registrar and Transfer Agent) shall be under any obligation to verify the authenticity of any deal instructions sent by fax. The Unitholder will be required to indemnify the Manager (for and on behalf of the relevant Fund) and its agents (including the Investment Manager and the Registrar and Transfer Agent) against all losses, costs, demands, expenses, actions, proceedings and claims incurred by any such persons or entities as a result of acting on such fax which they reasonably believed to be a valid instruction.

The Manager and the Registrar and Transfer Agent will be required to withhold tax on redemption monies at the applicable rate unless it has received from the Unitholder a declaration as to status and residency in the form prescribed by the Revenue Commissioners of Ireland confirming that the Unitholder is either (i) not Resident in Ireland, or (ii) an Exempt Irish Investor, in each case in respect of whom/which it is not necessary to deduct tax.

The Redemption Price is the Net Asset Value per Unit, subject to the possible deduction from the resulting amount of a redemption charge referred to in the Leaflet of the respective Fund and a rounding (which may be downwards) of this amount by not more than 1%, at which the Units will be redeemed on the Dealing Day.

The relevant Net Asset Value per Unit for these purposes is the Net Asset Value per Unit calculated by the Manager as at the Valuation Point in respect of the relevant Dealing Day.

The Manager is not bound to redeem on any Dealing Day more than 10% of the Net Asset Value of any one Fund. If total requests for redemption on any Dealing Day exceed that limit, the Directors may in their discretion refuse to redeem any Units in excess of 10% of the Net Asset Value. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Units to which the original request related have been redeemed.

Unless otherwise stated in the Leaflet for a particular Fund, the Redemption Price of Units may be satisfied by the Manager paying cash or, provided that the Directors and the Depositary are satisfied that the terms of any exchange shall not be such as are likely to result

in any material prejudice to any remaining Unitholders, by the Trust making an in specie distribution, on such terms and conditions as the Directors and the Manager may specify, to such Unitholder of securities equalling the aggregate Redemption Price (or together with such cash payments when aggregated with the value of the securities being distributed as are equal to such Redemption Price). Any such redemption in specie must be with the consent of the redeeming unitholders unless the redemption request represents 5% or more of the Net Asset Value of the Fund in which instance such redemption in specie may be at the sole discretion of the Trust. In such circumstances, the Trust shall, if requested by the redeeming unitholder be required to sell the relevant assets on behalf of that Unitholder but the cost of such sale shall be borne by that unitholder.

Where redemption of Units is to be satisfied by an in specie distribution of securities held by the Trust, the Depositary shall transfer such securities as the Manager or its authorised agents shall direct to the Unitholder as soon as practicable after the relevant Dealing Day. The asset allocation in respect of any redemption in specie is subject to the approval of the Depositary. All costs and risks of such distribution shall be borne by such Unitholders. For the avoidance of doubt, the number of Units distributed must not exceed the number that would have been distributed for the cash equivalent.

In respect of redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the investor, in the event of the Trust or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Trust or relevant Fund in respect of such redemption proceeds.

Redemption Prices will be available on request from the Manager, whose determination of the Redemption Price shall be conclusive in the absence of manifest error.

A redemption charge payable to the Manager or its agent of up to 2% of the Net Asset Value of the relevant Units may be charged on any redemption. Details of any other future redemption charges applicable to a Fund shall be specified in the Leaflet for such Fund.

#### **4.5 Compulsory Redemption of Units**

Units may be compulsorily redeemed or transferred if it comes to the notice of the Manager that those Units are being owned directly or beneficially by any person who is in breach of any law or requirement of any country or governmental authority or by any person who shall belong to or be comprised within any class of persons from time to time determined by the Directors, or such that the status, standing or tax residence of the Trust is or may be prejudiced or the Trust may suffer any pecuniary disadvantage which it would not otherwise have suffered as a result of that person continuing to own Units.

If on any Dealing Day falling after the first anniversary of the first issue of Units in a Fund, the Net Asset Value of the Fund is less than €10,000,000 or the equivalent amount in the currency in which the relevant Fund of Units is designated, the Manager may compulsorily redeem all the Units of that Fund.

#### **4.6 Conversion of Units**

Unitholders may on any Dealing Day, convert all or part of their holding of Units of any class (the “**Original Class**”) into Units of another class (the “**New Class**”) by submitting a request to the Registrar and Transfer Agent in such form as the Registrar and Transfer Agent may require by no later than the Dealing Deadline that applies to the Units being redeemed. Conversions will only be accepted where cleared funds and completed application forms (including any documents required in connection with anti-money laundering procedures) have been received in respect of the original subscriptions.



A Unitholder is not required to submit a new application form for the purchase of Units in connection with a conversion.

Conversion takes place in accordance with the following formula:-

$$NSH = \frac{OSH \times RP}{SP}$$

NSH is the number of Units of the New Class;

OSH is the number of Units of the Original Class specified in the conversion notice;

where

RP is the Redemption Price of a Unit of the Original Class;

SP is the Subscription Price of a Unit of the New Class.

The right to convert may be suspended in the circumstances mentioned in Section 4.8 of the Prospectus, and is conditional on the Trust having sufficient available unissued share capital to enable the conversion to be implemented in the manner determined by the Directors.

Where a Unitholder converts from one Fund to a different Fund and the Units in the different Fund are designated as Units of different classes, Units in the different Fund will be issued as Units of the relevant class, as applicable (whether or not the Units in the original Fund were designated as Units of different classes). Where the Units of the original Fund are designated as Units of different classes, and the Unitholder converts to a different Fund (the Units of which are not designated as Units of different classes) the Units will be issued of the single class in the new Fund.

No charge shall be levied by the Trust upon the Unitholder for any conversion of all or part of such Unitholder's holding of Units of the Original Class into Units of another class.

#### **4.7 Publication of the Price of the Units**

Except where the determination of the Net Asset Value has been suspended, in the circumstances described below, the subscription and redemption prices per Unit shall be made available to Unitholders promptly on request and, in any case, shall be made available at the registered office of the Manager on each Dealing Day. It is not an invitation to subscribe for, redeem or convert Units at that Net Asset Value.

#### **4.8 Suspension of Issues, Redemptions and Conversions**

The Directors may, with the prior agreement of the Depositary, at any time declare a temporary suspension of issues, redemption or purchases and conversions of Units of Funds or of any one or more classes of Units:-

- (a) during any period when any regulated market on which a substantial part of the investments of the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays;
- (b) during any period when dealings on any such regulated market are restricted or suspended;
- (c) during the existence of any state of affairs as a result of which disposal of the

investments or other assets of the relevant Fund cannot, in the opinion of the Directors, be effected normally or without seriously prejudicing the interests of the holders of that class of Units;

- (d) during any breakdown in the means of communication normally employed in determining the Net Asset Value of the relevant Fund or when, for any other reason, the value of any assets of the relevant Fund cannot be promptly and accurately ascertained; or
- (e) during any period during which the Depositary is unable to repatriate funds required for making payments due on redemption of Units or during which the realisation of investments or other assets or the transfer of funds involved in such realisation cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange.

Forthwith after the commencement of any suspension the Directors shall immediately and in any event within the same Business Day notify in writing the Central Bank and the competent authorities in the Member States in which the Trust markets its Units that such a suspension has been made.

Notice of any such suspension in respect of any class of Units will be given to any Unitholder tendering their Units for redemption and will also if possible be published in such publication(s) as the Trust has caused Subscription Prices and Redemption Prices to be published in during the preceding six months, and notice will be similarly given upon the termination of such suspension.

Unless withdrawn, applications for subscription, redemption and conversion will be considered on the first Dealing Day following the termination of a suspension.

#### **4.9 Settlement of Transactions through Euroclear/Clearstream**

Any transaction involving Units referred to in this paragraph 4 may be effected through Euroclear or Clearstream provided that any such transaction shall also conform to the rules and procedures for the time being of Euroclear and Clearstream respectively.

#### **4.10 Prevention of money laundering**

Measures aimed at the prevention of money laundering will require an applicant to provide verification of identity, verification of address and source of funds to the Registrar and Transfer Agent.

The Registrar and Transfer Agent reserves the right to request such information as is necessary to verify the identity, address and source of funds of the applicant. This information may also include details as to the tax residency of an applicant together with relevant documentary evidence. Depending on the circumstances of each application, a detailed verification of the source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering regulations or satisfies other applicable conditions. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Registrar and Transfer Agent may refuse to accept the application and all subscription monies. The Registrar and Transfer Agent may also refuse to process a redemption or pay out redemption proceeds if any requested information in original form is not received.

The Registrar and Transfer Agent will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce a copy of a current passport or national identification card (which should show the signature and date of birth of the individual applicant) together with evidence of the applicant's address, such as a copy of a utility bill or bank statement (no more than six months old). In the case of corporate applicants, this may require production of copies of all documentation including the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), and authorised signatories list together with the names, occupations, residential and business addresses and dates of birth of all directors and beneficial owners. Detailed verification of directors' and substantial beneficial owners' identity and address may also be required.

Units will not be issued until such time as the Registrar and Transfer Agent is satisfied with all the information and documentation (including all anti-money laundering verifications) that it has received from the applicant. This may result in Units being issued on a Dealing Day subsequent to the Dealing Day on which an applicant initially wished to have Units issued to him/her. It is further acknowledged that the Registrar and Transfer Agent shall be held harmless by the applicant against any loss arising as a result of the failure to process the subscription or pay out redemption proceeds if such information as has been requested by the Registrar and Transfer Agent has not been provided by the applicant. In addition, the Registrar and Transfer Agent will not pay out redemption proceeds until such time as the original of the application form used on initial subscription and any other documentation required by the Registrar and Transfer Agent, including all anti-money laundering documentation, is received by the Registrar and Transfer Agent and all anti-money laundering procedures have been completed. All such documentation must be received by the Registrar and Transfer Agent promptly.

## 5. VALUATIONS OF FUNDS

The Net Asset Value of Units of each class will be determined, in the currency of designation of a Fund, by the Manager in accordance with the Trust Deed, and as summarised below, as at the Valuation Point for such Business Day. In order to determine the Net Asset Value per Unit, the value of all securities and other assets held in the relevant Fund, as adjusted to take account of accrued income, less all the liabilities and accruals attributable to that Fund, will be divided by the total number of Units of that class in issue at the Valuation Point.

- (a) The Net Asset Values for each Fund (or attributable to each class within that Fund) shall be determined separately by reference to the Fund appertaining to that class of Units and to each such determination the following provisions shall apply.
- (b) In respect of each Dealing Day the Net Asset Value of each Fund (and any class within such Fund) shall be determined and shall be equal to the value as at the Valuation Point in respect of that Dealing Day of all the assets, less all the liabilities, of that Fund. The Net Asset Value attributable to each class of Unit of a Fund is divided by the number of Units of such class in issue to give the Net Asset Value attributable to each Unit of such class in that Fund.
- (c) The assets of a Fund shall be deemed to include:-
  - (i) all cash in hand or on deposit, or on call including any interest accrued thereon;
  - (ii) all bills, demand notes, promissory notes and accounts receivables;
  - (iii) all bonds, certificates of deposit, shares, stock, units in collective investment schemes, debentures, debentures stock, subscription rights, warrants, options and other

investments and securities owned and contracted for, (other than rights and securities issued by the Trust);

- (iv) all stock and cash dividends and cash distributions which the Directors consider will be received by the Trust in respect of the Fund but which have not yet been received by it but have been declared payable to stockholders of record on a date before the day as of which the assets are being valued;
- (v) all interest accrued on any interest-bearing securities forming part of the Fund; and
- (vi) all prepaid expenses relating to that Fund and a proportion of any prepaid expenses relating to the Trust generally, such prepaid expenses to be valued and defined from time to time by the Directors.
- (d) Subject to the Acts any expense or liability of the Trust may be amortised over such period as the Directors (with the approval of the Independent Auditors) may determine (and the Directors may at any time and from time to time determine with the approval of the Independent Auditors to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the Trust.
- (e) Assets shall be valued as follows:-
  - (i) cash shall be valued at face value (plus accrued interest to the relevant Valuation Point) unless, in the opinion of the Directors, any adjustment is necessary in order to reflect the fair value thereof;
  - (ii) save as otherwise herein provided, listed securities quoted or dealt in on a regulated market shall be valued: (i) in the case of bonds, at the closing mid-market price; and, (ii) in the case of equities, at the official closing price or, if the official closing price not available, the last traded price; in each case on the regulated market on which these assets are traded or admitted for trading (being the regulated market which is the sole or in the opinion of the Directors the principal regulated market on which the investment in question is listed, quoted or dealt in). If such securities are dealt in on more than one regulated market, the relevant regulated market will be, in the sole opinion of the Directors, the main regulated market on which such securities in question are listed, quoted or dealt in or the regulated market the Manager determines provides the fairest criteria in a value of the relevant security. If, in the sole opinion of the Directors, the dealing price for the securities, calculated as at the Valuation Point is unavailable or not representative of the value of the securities, or in the context of unlisted securities or securities that are not quoted or dealt in on a regulated market, the value will be the probable realisation value, estimated with care and in good faith by the Manager or such competent person(s) as may be appointed by the Directors and approved for the purpose by the Depositary.

For the avoidance of doubt, in the event that activity occurs in any regulated market on which substantial assets (as determined by the Directors) of any Fund are listed, quoted or dealt in on a weekday or weekdays falling between the date of any Dealing Deadline and the relevant Dealing Day then the closing mid-market / official closing price or if not available the last traded price to be applied in determining the Net Asset Value of such assets shall be such closing mid-market / official closing price or if not available the last traded price at the Valuation Point in respect of the first weekday

following the Dealing Deadline on which activity occurs in the regulated market in question;

- (iii) forward foreign exchange contracts will be valued in accordance with paragraph (f) below, or, alternatively by reference to freely available market quotations. If such freely available market quotations are used, there is no requirement to have such prices independently verified or reconciled to the counterparty valuation on a monthly basis. As foreign exchange hedging may be utilised for the benefit of a particular class of Units within a Fund, its costs and related liabilities and/or benefits will be reflected in the Net Asset Value per class for Units of such class;
- (iv) exchange traded futures and options contracts (including index futures) shall be valued at the settlement price as determined by the market in question. If such market price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Directors or such other competent person approved for the purpose by the Depositary;
- (v) derivative instruments dealt in on a market shall be calculated at the settlement price as determined by the market in question, provided that where it is not the practice of the relevant market to quote a settlement price or if such settlement price is not available for any reason, such value shall be the probable realisation value estimated with care and in good faith by the Trust or a competent person approved for the purpose by the Depositary;
- (vi) where derivative instruments are not dealt in on a market, their value shall be the daily quotation from the counterparty and which will be verified on a weekly basis by a party independent of the counterparty and approved for the purpose by the Depositary. In accordance with the requirements of the Central Bank, such contracts may also be valued using an alternative valuation, such value determined using an alternative valuation methodology which will be provided by the Trust or a competent person appointed by the Trust and approved by the Trust. Where such contracts will be valued using an alternative valuation:
  - (a) the alternative valuation will be produced on a daily basis;
  - (b) the Trust will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA;
  - (c) the alternative valuation is that provided by a competent person appointed by the Trust and approved for the purpose by the Depositary, or a valuation by any other means provided that the value is approved by the Depositary; and
  - (d) the alternative valuation must be reconciled to the counterparty valuation on at least a monthly basis. Where significant differences arise these must be promptly investigated and explained.
- (vii) at any time when prices are not available in respect of assets listed, quoted or dealt in on a regulated market in each case on the regulated market on which these assets are traded or admitted for trading (being the regulated market which is the sole or in the opinion of the Directors the principal regulated market on which the investment in question is listed, quoted or dealt in), the

value of the assets will be the probable realisation value estimated with care and in good faith by such competent person as may be appointed by the Directors and approved for the purpose by the Depositary;

- (viii) any investments or assets not listed, quoted or dealt in on a regulated market shall be valued at the probable realisation value as estimated with care and in good faith by such competent persons as may be appointed by the Directors and approved for the purpose by the Depositary;
  - (ix) securities listed or traded on a regulated market but acquired or traded at a premium or at a discount outside or off the relevant market may be valued, taking into account the level of premium or discount at the date of the valuation with the approval of a competent person (approved for the purpose by the Depositary). The competent person (having been approved for the purpose by the Depositary) shall ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security;
  - (x) the value of units or shares or other similar participation in any collective investment scheme shall be valued at the latest bid price or, if unavailable, the last available net asset value as published by the collective investment scheme;
  - (xi) notwithstanding the foregoing the Directors may permit some other method of valuation to be used for any particular asset if they consider that such valuation better reflects the fair value of that asset, such other method to be approved for such purpose by the Depositary;
  - (xii) the value of an asset may be adjusted by the Directors where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.
- (f) Currencies or values in currencies other than in the currency of designation of a particular Fund shall be converted into the currency of designation of such Fund at the rate which the Directors, after consulting with, or in accordance with a method approved by, the Depositary, deems appropriate in the circumstances.
- (g) For the purpose of valuing the Trust's assets as aforesaid the Directors may rely upon the opinions of any person(s) who appear to them to be competent to value assets by reason of any appropriate professional qualification or of experience of any relevant market. Such persons must be approved for the purpose by the Depositary.
- (h) The liabilities of a Fund shall be deemed to include all liabilities (including charges incurred on the acquisition and realisation of investments and such operating expenses that the Directors consider to be attributable to a particular Fund, and such amount as the Directors determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by Units in the Trust. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. Where the Directors have created different Classes of Units within a Fund and have determined that each Class will incur different levels of fees (the details of which shall be set out in a Leaflet to this Prospectus), the Net Asset Value per Class shall be adjusted in order to reflect such different levels of fees payable in respect of each Class.

- (i) Where Classes of Units denominated in different currencies are created within a Fund and currency hedging transactions are entered into in order to hedge any relevant currency exposure, such transactions will be clearly attributable to the relevant Class of Units and any costs and gains/losses of the hedging transactions will accrue solely to that Class of Units.
- (j) The Net Asset Value of each Fund calculated pursuant to the Trust Deed, may be certified by a Director or by any other person authorised to give such certificate by the Directors and any such certificate shall be binding and conclusive as to the Net Asset Value of such Fund in the absence of manifest error.

## 6. PREFERENTIAL TREATMENT

Pursuant to AIFMD, the Manager will at all times ensure that Unitholders are treated fairly and in accordance with the terms of the Fund or, if applicable, the Class of Units within a relevant Fund, in which a Unitholder has invested. The Manager will ensure such fair treatment of Unitholders through its decision-making procedures and organisational structure which identifies any preferential treatment, or the right thereto, afforded to Unitholders. The Manager will ensure that any such preferential treatment does not result in an overall material disadvantage to other Unitholders. In addition, the Manager will monitor the terms of any side arrangements (if any) entered into with Unitholders in relation to their investment in the Trust to seek to ensure the fair treatment of all Unitholders.

In this regard, subject to the Manager's obligation to treat investors fairly, the Manager may enter into side arrangements with certain investors (including founding investors or strategic investors) that include terms in respect of the relevant investor's investment in any Fund and/or grant that investor differential treatment or the right thereto (e.g. fee rebates or side letters). Details of such terms, together with details of any economic or legal links which such investor may have with the Trust or the Manager, will be made available to investors before they invest in such Fund.

## 7. CONFLICTS OF INTEREST

Pursuant to AIFMD, the Manager will at all times ensure that Unitholders are treated fairly and in accordance with the terms of the Fund or, if applicable, the Class of Units within a relevant Fund, in which a Unitholder has invested. The Manager will ensure such fair treatment of Unitholders through its decision-making procedures and organisational structure which identify any differential treatment, or the right thereto, accorded to any Unitholders. The Manager will ensure that any such differential treatment does not result in an overall material disadvantage to other Unitholders. In addition, the Manager will monitor the terms of any side arrangements (if any) entered into with Unitholders in relation to their investment in the Trust to seek to ensure the fair treatment of all Unitholders.

In this regard, subject to the Manager's obligation to treat investors fairly, the Manager may enter into side arrangements with certain investors (including founding investors or strategic investors) that include terms in respect of the relevant investor's investment in any Fund and/or grant that investor differential treatment or the right thereto (e.g., fee rebates or side letters). Details of such terms, together with details of any economic or legal links which such investor may have with the Trust or the Manager will be made available to investors before they invest in such Fund.

The Manager, (and any Investment Manager) the Depositary, the Registrar and Transfer Agent, and their affiliates, officers and Unitholders (collectively the "**Parties**") are or may be involved in other financial investment and professional activities which will on occasion cause conflict of interest with the management of this Trust. This includes the management

of other funds, purchases and sales of securities, investment management counselling, brokerage services and serving as directors, officers, advisers, or agents of other funds or other companies, including companies in which the Trust may invest. In particular, it is envisaged that the Manager (and any Investment Manager) may be involved in managing and/or advising other investment funds and accounts which may have similar or overlapping investment objectives to or with the Trust. In addition, it is envisaged that the Investment Manager may, from time to time, be requested to provide valuations in respect of certain of the Trust's assets in the calculation of the Net Asset Value of the Trust. It should be noted that any fees payable to the Manager (and any Investment Manager) will increase as the value of the Trust increases. Each of the Parties and the Directors will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise including the allocation of investment opportunities will be resolved fairly.

Any transaction carried out with the Trust by the Manager, any Investment Manager, the Depositary, the Registrar and Transfer Agent, and/or associated or group companies of these will be carried out as if effected on normal commercial terms negotiated at arms length. Transactions will be in the best interests of the Unitholders.

Transactions permitted will be subject to:-

- (a) Certified valuation by a person approved by the Depositary (or the Directors in the case of a transaction involving the Depositary) as independent and competent ; or
- (b) execution of the relevant transaction on best terms on an organised investment exchange or other regulated market in accordance with the rules of such exchange or markets; or
- (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform to normal commercial terms, negotiated at arms length and is in the best interests of Unitholders.

In addition, it is envisaged that some or all of the Directors may hold directorships of other investment funds which may have similar or overlapping investment objectives to or with the Trust. Each of the Directors will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have.

In the event that any conflict of interest does arise, the Directors will endeavour to ensure that any such conflict is resolved fairly and in the best interests of the Unitholders.

## 10. **TAXATION**

The following is a summary of Irish tax matters relevant to investors, subscribing for, purchasing, holding, switching or disposing of Units in the Trust and is based on Irish law and the published practices of the Revenue Commissioners of Ireland at the date of this Prospectus. This summary does not consider all aspects of taxation which may be relevant to a prospective Unitholder in light of that particular Unitholder's circumstances. The information given does not constitute legal or tax advice and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax.

### **Taxation of the Trust**



The Trustees have been advised that for as long as the Trust is Resident in Ireland for taxation purposes, the taxation of the Trust and the Unitholders is as set out below:

### **Residence of the Trust**

The Trust will be regarded as Resident in Ireland unless the general administration of the Trust is ordinarily carried on outside Ireland and the Trustees (being a single and continuing body of persons) or a majority of them for the time being are not Resident in Ireland or Ordinarily Resident in Ireland.

### **Exemption from tax on income and gains**

As an Investment Undertaking, the Trust is not chargeable to Irish tax on income or gains arising to the Trust save as described below in connection with gains arising on chargeable events.

### **Tax on chargeable events**

Tax can arise on the happening of a “**chargeable event**” in relation to the Trust. A chargeable event in relation to the Trust includes the making of any payment on Units to a Unitholder by the Trust in respect of any distribution, encashment, redemption or repurchase, the appropriation or cancellation of Units of a Unitholder by the Trust, the transfer of Units by a Unitholder, or the ending of a Relevant Period with respect to Units held by a Unitholder.

A chargeable event does not include:

- (a) an exchange by a Unitholder, effected by way of an arm’s length bargain where no payment is made to the Unitholder, of Units in the Trust for other Units in the Trust;
- (b) an exchange by a Unitholder, effected by way of an arm’s length bargain where no payment is made to the Unitholder, of Units representing one Fund for another Fund of the Trust;
- (c) any transactions (which might otherwise be a chargeable event) in relation to Units held in a Recognised Clearing System;
- (d) a transfer by a Unitholder of the entitlement to a Unit where the transfer is between spouses or civil partners and former spouses or civil partners, subject to certain conditions; or
- (e) the cancellation of Units arising on a scheme of reconstruction or amalgamation within the meaning of section 739H(1) of the Taxes Act or a scheme of amalgamation within the meaning of section 739HA(1) of the Taxes Act of the Trust or other Investment Undertaking(s) subject to certain conditions being fulfilled.

The Trust will have no obligation to account for tax in relation to a chargeable event where:

- (a) the chargeable event occurs solely on account of an exchange of Units arising on a scheme of amalgamation within the meaning of section 739D (8C) of the Taxes Act, subject to certain conditions being fulfilled;

- (b) the chargeable event occurs solely on account of an exchange of Units arising on a scheme of migration and amalgamation within the meaning of section 739D (8D) of the Taxes Act, subject to certain conditions being fulfilled;
- (c) the chargeable event occurs solely on account of a scheme of migration within the meaning of section 739D (8E) of the Taxes Act, subject to certain conditions being fulfilled;
- (d) the chargeable event occurs in respect of a Unitholder who is :
  - (i) an Exempt Non-Resident Investor; or
  - (ii) an Exempt Irish Investor
 at the time of the chargeable event;
- (e) the chargeable event is the ending of a Relevant Period and:
  - (i) immediately before the chargeable event the value of the number of Units in the Trust, in respect of which any gains arising would be treated as arising to the Trust, on the happening of a chargeable event is less than 10% of the value of the total number of Units in the Trust at that time; and
  - (ii) the Trust has made an election, in writing, to the Revenue Commissioners that it will make in respect of each year of assessment a statement (including where it is the case, a statement with a nil amount) to the Revenue Commissioners in electronic format approved by them, on or before 31 March in the year following the year of assessment, which specifies in respect of each Unitholder;
    - a) the name and address of the Unitholder;
    - b) the value at the end of the year of assessment of the Units to which the Unitholder is entitled at that time; and
    - c) such other information as the Revenue Commissioners may require.

The Trust is obliged to notify the Unitholders concerned, in writing, if such an election has been made. Where a Unitholder receives such a notification, that Unitholder is deemed to be a chargeable person for the purposes of sections 951 and 1084 of the Taxes Act and is required to prepare and deliver to the Revenue Commissioners a return of income on or before the specified return date for that chargeable period. The return of income shall include the following details:

- a) the name and address of the Trust; and
- b) the gains arising on the chargeable event.

Where none of the relieving provisions outlined above have application, the Trust is liable to account for Irish tax on gains arising on chargeable events as follows;

- (a) where the chargeable event relates to a Unit held by a Unitholder that is a company and that company has made a declaration to the Trust that it is a company and that declaration contains the Irish corporation tax reference number with respect to the company, Irish tax is payable at a rate of 25%; and

(b) where (a) above does not apply, Irish tax is payable at the rate of 41%.

To the extent that any tax is paid on a gain arising on a chargeable event that occurs solely as a consequence of the ending of a Relevant Period, such tax will be allowed as a credit or paid by the Trust to the Unitholder on the happening of a subsequent chargeable event in connection with the relevant Units in accordance with the provisions of section 739E of the Taxes Act.

If the Trust becomes liable to account for tax if a chargeable event occurs, the Trust shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, (including circumstances where no actual payment is made to a Unitholder, for example upon the ending of a Relevant Period), to appropriate or cancel such number of Units held by the Unitholder or the beneficial owner of the Unit as are required to meet the amount of tax payable by that Unitholder. The relevant Unitholder shall indemnify and keep the Trust indemnified against loss arising to the Trust by reason of the Trust becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Please see the “**Taxation of Unitholders**” section below dealing with the tax consequences for the Unitholders of chargeable events in respect of:-

(a) Unitholders who are neither Resident in Ireland nor Ordinarily Resident in Ireland; and

(b) Unitholders who are either Resident in Ireland or Ordinarily Resident in Ireland.

### **Dividend Withholding Tax**

Dividends received by the Trust from companies that are Resident in Ireland may be subject to Irish dividend withholding tax, the current rate of which is set out in Annex II hereto. However, as an Investment Undertaking, the Trust can make a declaration to the payer of the dividend in a prescribed form so as to enjoy exemption from this withholding tax.

As an Investment Undertaking, the Trust is not required to deduct dividend withholding tax from dividend payments made to Unitholders.

Dividends received by the Trust on shares issued by companies that are not Resident in Ireland may be subject to foreign withholding tax. Although Trustees of the Trust will make every effort to ensure that the business of the Trust will be conducted in such a manner as to ensure that it is Resident in Ireland and the Trust may therefore be treated as a resident of Ireland for the purposes of certain double taxation treaties to which Ireland is a party, there can be no assurance that treaty benefits will be granted to the Trust so as to exempt or relieve foreign tax.

If the position changes in the future and the application of a lower rate results in a repayment to the Trust the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders rateably at the time of the repayment.

### **Stamp Duty**

As an Investment Undertaking, no liability in respect of Irish stamp duty will arise in respect of the issue, redemption, sale, conversion, transfer or reissue of Units in the Trust. Where any subscription for or redemption of Units is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty may arise on the transfer of such securities or property.

Generally, no Irish stamp duty will be payable by the Trust on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company incorporated in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an Investment Undertaking or a Qualifying Company) which is incorporated in Ireland.

## **B. Taxation of the Unitholders**

### **Capital Acquisitions Tax**

A disposition of Units may be subject to Irish capital acquisitions tax. However, as the Trust is an Investment Undertaking, a disposition of Units by a Unitholder is not liable to capital acquisitions tax provided that:

- (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland for capital acquisitions tax purposes;
- (b) at the date of the disposition, either the Unitholder disposing of the Units is neither domiciled nor ordinarily resident in Ireland for capital acquisitions tax purposes or the disposition is not subject to Irish law; and
- (c) the Units are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

A non-Irish domiciled donee or disponent will be treated as not resident or ordinarily resident in Ireland for the purpose of capital acquisitions tax at the relevant date unless that person has been Resident in Ireland for 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls and that person is either Resident in Ireland or Ordinarily Resident in Ireland on that date.

### **Unitholders who are neither Resident in Ireland nor Ordinarily Resident in Ireland**

The Trust will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder that is an Exempted Non-Resident Investor.

To the extent that a Unitholder is acting as an Intermediary on behalf of persons who are neither Resident in Ireland nor Ordinarily Resident in Ireland no tax will have to be deducted by the Trust on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders who are Exempt Non-Resident Investors will not generally be liable to Irish tax in respect of income from their Units and gains made on the disposal of their Units. However, a corporate Unitholder that holds Units in connection with a trading branch or agency of that Unitholder in Ireland may be liable to Irish corporation tax on income from their Units or gains made on disposals of the Units.

Where tax is withheld by the Trust, for example, because no Relevant Declaration has been filed with the Trust by the Unitholder, Irish legislation does not provide for a refund of tax to a Unitholder other than in the following circumstances:

- (a) where the Trust, within one year of the making of the return, obtains the Relevant Declaration and can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid, to be repaid to the Trust; or
- (b) where a claim is made for a refund of Irish tax under section 189, 189A and 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide).

### **Unitholders who are Resident in Ireland or Ordinarily Resident in Ireland**

#### **Exempt Irish Investors**

The Trust will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder that is an Exempt Irish Investor (provided that the Trust is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is no longer materially correct).

Unitholders who are Exempt Irish Investors will not be subject to Irish tax on income from their Units or gains made on the disposal of their Units.

#### **Courts Service**

Additionally, where Units are held by the courts service no tax is deducted by the Trust on payments made to the courts service. The courts service will be required to operate the tax on payments to it by the Trust when they allocate those payments to the beneficial owners.

#### **Investors who are neither Exempt Non-Resident Investors nor Exempt Irish Investors**

The Trust will have to deduct tax on the occasion of a chargeable event in respect of a Unitholder that is neither an Exempt Non-Resident Investor nor an Exempt Irish Investor.

Where a Unitholder receives a payment from which appropriate tax has been deducted and that payment is correctly included in that Unitholder's tax return, no further tax is due.

Where a Unitholder is not a corporate body, is Resident in Ireland and receives a payment in respect of Units from which tax has not been deducted, the income arising will be taxable at a rate of 41 per cent provided it is correctly included in that Unitholder's tax return.

Where a Unitholder is not a corporate body, is not Resident in Ireland but is Ordinarily Resident in Ireland and receives a payment in respect of Units from which tax has not been deducted the income arising may be taxable, and if so, at a rate of 41 per cent provided it is correctly included in that Unitholder's tax return.

Where a Unitholder is a corporate body that is Resident in Ireland and receives a payment in respect of Units from which tax has not been deducted the income arising will generally be taxable at a rate of 25 per cent.

However,

- (a) where a Unitholder earns the income in the course of carrying on a trade in Ireland the Unitholder will be taxable on such income or gains as part of that trade, currently at a rate of 12.5 per cent with a set-off against that Unitholder's corporation tax liability for any tax deducted by the Trust; and

- (b) where a Unitholder earns the income in the course of carrying on its business as a Qualifying Company the Unitholder will be taxable on such income as part of that business, currently at a rate of 25 per cent with a set-off against that Unitholder's corporation tax liability for any tax deducted by the Trust.

Where a currency gain is made by a Unitholder on the disposal of their Units, such Unitholder may be liable to capital gains tax in the year of assessment in which the Units are disposed.

### **Unitholder Reporting**

Pursuant to the provisions of section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013 the Trust is required to provide certain information to the Revenue Commissioners in relation to Unitholders other than "excepted unitholders" within the meaning of the relevant Regulations ("Excepted Unitholders").

The information to be provided to the Revenue Commissioners is in relation only to Unitholders other than Excepted Unitholders and includes:

- (a) the name, registered address, contact details and tax reference number of the Trust;
- (b) the name, address, tax reference number and date of birth (if applicable) of each Unitholder that is not an Excepted Unitholder; and
- (c) the investment number and the value of the investment held by each Unitholder that is not an Excepted Unitholder.

Exempt Irish Investors and Exempt Non-Resident Investors would be Excepted Unitholders for this purpose.

### **Automatic Exchange of Information for Tax Purposes**

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) ("**DAC2**") provides for the implementation among Member States (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard ("**CRS**") proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions.

Under the CRS, governments of participating jurisdictions are required to collect detailed information to be shared with other jurisdictions annually.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the Taxes Act.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the Taxes Act.

Pursuant to these Regulations, the Trust is required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all non-Irish and non-U.S. new and existing accountholders in respect of their Units. Such returns are required to be submitted to the Revenue Commissioners with respect to a calendar year on or before

the following 30 June. The information includes amongst other things, details of the name, address, taxpayer identification number ("**TIN**"), place of residence and, in the case of accountholders who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other Member States and jurisdictions which implement the CRS.

## **FATCA Implementation in Ireland**

The FATCA provisions of the US Hiring Incentives to Restore Employment Act were enacted to identify US persons either directly investing outside the US or indirectly earning income inside or outside the US by using foreign entities.

The obligations of Irish financial institutions under FATCA are covered by the provisions of the Ireland/US Intergovernmental Agreement ("**IGA**") and the Financial Accounts Reporting (United States of America) Regulations 2014, as amended (the "**Regulations**"). Under the IGA and the Regulations, Irish financial institutions (as defined under the IGA) are required to report annually to the Revenue Commissioners details of its US account holders including the name, address and **TIN** and certain other details. The Trust, in conjunction with assistance from its service providers where necessary, will endeavour to ensure that it satisfies any obligations imposed on it under the IGA and the Regulations.

The Trust's ability to satisfy its obligations under the Regulations will depend on each Unitholder in the Trust, providing the Trust with any information, including information concerning the direct or indirect owners of such Unitholders, that the Trust determines is necessary to satisfy such obligations. Each Unitholder will agree in its application form to provide such information upon request from the Trust. If the Trust fails to satisfy its obligations under the Regulations, it may, in certain circumstances, be treated as a Non-Participating Financial Institution by the US Tax Authorities and therefore subject to a 30% withholding on its US source income and any proceeds from the sale of property that could give rise to US source income. Unitholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their interest in the Trust.

## **11. GENERAL**

### **11.1 Meetings and Reports**

The Trust Deed provides that meetings of the Unitholders may take place for the purpose of considering and if thought fit passing an Extraordinary Resolution in appropriate terms (i) if their approval is required for certain proposed amendments of the Trust Deed, which the Depositary considers should not take place without the consent of Unitholders or (ii) to consider the winding-up of the Trust (see Section 9.2 below). On a show of hands at such meeting every Unitholder who is present in person or by a proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which they are the Holder. Further details of the procedures relating to meeting of Unitholders are set out in the Second Schedule to the Trust Deed.

The annual and half-yearly reports of the Trust shall be prepared by the Manager in respect of the periods ending 31 December (which is the Accounting Date of the Trust) and 30 June in each year respectively. Copies of the annual and half-yearly reports of the Trust and the Trust Deed may be obtained from the office of the Manager and copies will be supplied to any Unitholder upon request, free of charge.

Such annual and half-yearly reports shall contain, *inter alia*,: (i) the audited financial statements of the Trust in respect of the preceding financial year; (ii) the percentage of the Trust's (or relevant Fund's) assets which are subject to special arrangements arising from

their illiquid nature; (iii) the total amount of leverage employed by the Trust (or relevant Fund); and (iv) the current risk profile of the Trust (or relevant Fund) and the risk management systems employed by the Manager to manage those risks.

In addition, the Manager shall: (i) immediately disclose to Unitholders details of any new arrangements for managing the liquidity of the Trust (or relevant Fund); and (ii) without undue delay disclose to Unitholders details of any changes to the maximum level of leverage which the Manager may employ on behalf of the Trust (or relevant Fund), as well as any right of re-use of collateral and any guarantee under the Trust's (or relevant Fund's) leveraging arrangements.

Annual accounts will be audited and submitted to the Central Bank within six months of the end of the financial period to which it relates. Half-yearly accounts will be submitted within two months of the end of the financial period to which it relates.

## **11.2 Winding-Up**

The Trust may be terminated or wound up:

- (a) by either the Depositary or the Manager in its absolute discretion by not less than one year's notice to the other given so as to expire at the expiration of the distribution period current at the end of the year 2029 or any tenth year thereafter. Either the Manager or the Depositary are entitled by notice to the other to make the continuation of the Trust beyond any such date conditional on the revision to its or their satisfaction at least six months before the relevant date of its or their remuneration and in such event the Trust will fall to be discontinued on the relevant date unless at least six months before the relevant date such condition is satisfied or withdrawn or (in the case of such a condition being imposed by the Depositary) a new Depositary is appointed pursuant to Clause 30 of the Trust Deed and arrangements for the remuneration of the new Depositary made to its satisfaction;
- (b) by the Depositary if (a) the Manager is wound up or ceases business or its control changes, (b) the Manager does not perform its duties or in the opinion of the Depositary is incapable of performing its duties or acts in a manner harmful to the interests of Unitholders (c) it is illegal or in the opinion of the Depositary impractical or inadvisable to continue the Trust in consequence of a change of law or (d) no new Depositary has been appointed within 6 months of the Depositary expressing a desire to retire;
- (c) by the Manager if (a) the Trust ceases to be an authorised trust, (b) it is illegal or in the opinion of the Manager impractical or inadvisable to continue the Trust in consequence of a change of law, or (iii) within the space of six months from the date of the Manager expressing in writing to the Depositary of its desire to retire, the Depositary shall have failed to appoint a new manager in accordance with the provisions of the Trust Deed;
- (d) by Extraordinary Resolution passed by Unitholders at any time from the date of the Trust Deed.

Not later than 2 months before the termination of the trust period (being a date specified by the party or in the resolution effecting the termination) the Depositary will give notice to Unitholders advising them of the distribution of the property of the Trust (by reference to the rights of the holders of units in each respective Fund). The realisation of trust property will be carried out by the Depositary in such manner as it thinks fit.



### 11.3 Material Contracts

The following contracts have been entered into in respect of the Trust:

(a) The Trust Deed

Please refer to page 1 of this Prospectus in respect of the material provisions in respect of the Trust Deed. The Trust Deed is governed by and construed according to the laws of Ireland.

(b) The Amended and Restated Investment Management Agreement entered into between Metzler Asset Management GmbH (“MAM”) and the Manager dated 25 July 2014, as amended from time to time by side letters under which MAM has agreed to act as investment manager with respect to the assets of the Metzler Target Return Fund, the Metzler Euro Corporate Bond Fund, the Metzler Asian Balanced Investments Fund, the Metzler Smaller Companies Europe, Metzler Balanced Investment Fund, European Equity ESG Fund and Metzler Euro Corp IG Bonds Enhanced, all sub-funds of the Trust. The Manager shall indemnify and keep indemnified MAM out of the assets of the Metzler Target Return Fund, the Metzler Euro Corporate Bond Fund, Metzler European Dividend ESG Equity, the Metzler Asian Balanced Investments Fund, Metzler Smaller Companies Europe, Metzler Balanced Investment Fund, European Equity ESG Fund and Metzler Euro Corp IG Bonds Enhanced, as applicable, from and against any losses which may be incurred by or asserted against MAM in its capacity as investment manager to the relevant Funds in relation to the relevant Fund’s Investments other than expenses incurred by MAM for which it is responsible pursuant to the Agreement or which losses arise due to the breach of Agreement, fraud, bad faith, negligence or wilful default of MAM. The Agreement is terminable on 3 month’s notice by any party. The Amended and Restated Investment Management Agreement is governed by and construed according to the laws of Ireland.

(c) The Placement Agent Agreement between Nomura Securities Co., Ltd. (the “**Placement Agent**”) and the Manager dated 18 May 2016 pursuant to which the Placement Agent was appointed to act in the private placement of interests in the Metzler Asian Balanced Investments Fund to investors in Japan. Under the terms of the Placement Agent Agreement, the Manager shall pay the fees and expenses of the Placement Agent. The Placement Agent Agreement is governed by the laws of Japan and is terminable upon 30 days’ written notice by any party.

(d) The Placement Agent Agreement between Teneo Partners Japan Limited (the “**Placement Agent**”) and the Manager dated 2 March 2018 pursuant to which the Placement Agent was appointed to act in the private placement of interests in the European Equity ESG Fund and Metzler Balanced Investments Fund to investors in Japan. The Placement Agent Agreement is governed by the laws of Japan and is terminable upon 90 days’ written notice by any party or as otherwise set out in the Placement Agent Agreement.

(e) The Placement Agent Agreement between Teneo Partners Japan Limited (the “**Placement Agent**”) and the Manager dated 17 December 2019, as amended by way of side letter, pursuant to which the Placement Agent was appointed to act in the private placement of interests in the Metzler Target Return Fund, Metzler Euro Corporate Bond Fund, Metzler Smaller Companies Europe and Metzler Global Multi Asset Strategy EUR 90 to investors in Japan. The Placement Agent Agreement is governed by the laws of Japan and is terminable upon 90 days’ written notice by any party or as otherwise set out in the Placement Agent Agreement.

- (f) Registrar and Transfer Agency Agreement dated 29 October 2021 between the Manager and the Registrar and Transfer Agent whereby the Registrar and Transfer Agent has agreed to provide registrar and transfer agency services in respect of the Trust.

## 12. DEFINITIONS

In this Prospectus the following terms have the following meanings:-

**“Accounting Date”** means the date referred to in Section 9 of this Prospectus.

**“Acts”** means the Unit Trusts Act 1990 (No. 37 of 1990) and every statute or other provision of law modifying, extending or re-enacting them or any of them.

**“AIF”** means an alternative investment fund as defined in AIFMD;

**“AIFMD”** means Directive 2011/61/EU on alternative investment fund managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1069/2009 and (EU) No 1095/2010 (“Level 1”), as supplemented by Commission Delegated Regulations (EU) No. 231/2013 of 19 December 2012 (“Level 2”) and implemented in Ireland pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013, as may be amended from time to time;

**“AIF Rulebook”** means the rulebook published by the Central Bank which sets out the operating conditions and rules applicable to alternative investment fund managers, depositaries and AIFs under AIFMD (including any amendments or updates made in relation thereto);

**“Base Currency”** means the base currency of a Fund as set out in the applicable Leaflet.

**“Business Day”** means any day on which banks are open for business in both Dublin and Frankfurt am Main and any other day which the Directors consider relevant to a particular Fund and set out in the applicable Leaflet.

**“Central Bank”** means the Central Bank of Ireland or any successor regulator thereto.

**“Class”** or **“class”** means the different classes of Units that may be issued within a Fund by the Directors in accordance with the requirements of the Central Bank. Details of the different characteristics applicable to each class of Units will be set out in the Leaflet for the Fund. Classes of Units can, without limitation, be distinguished by rights, commission charges, currency or other characteristics

**“Clearstream”** means the Clearstream Clearance System operated by Clearstream Banking AG, Frankfurt am Main and/or its group companies or affiliates.

**“Dealing Day”** means such Business Day as determined by the Directors in respect of a particular Fund and set out in the Leaflet for that Fund provided that there shall not be less than one Dealing Day in respect of each Fund per quarter except during a period of suspension of issues and redemptions of Units as described therein and provided that all Unitholders shall be notified in advance of any change in Dealing Day or in circumstances where the Directors call an additional Dealing Day.

**“Dealing Deadline”** means 11 a.m. Irish Standard Time on the Business Day preceding a relevant Dealing Day for a Fund, or such other dealing deadline as specified in the Leaflet for a particular Fund.

**“Depository”** means Brown Brothers Harriman Trustee Services (Ireland) Limited or any successor or such other person from time to time appointed to undertake depository functions in respect of the Trust in accordance with the AIF Rulebook.

**“Directors”** means the directors of the Manager for the time being and includes a properly convened meeting of any two or more of the directors of the Manager. A list of the current directors is set out on page 49 below and may be amended from time to time.

**“EEA Member State”** means each member state of the European Economic Area. The list of current EEA Member States is set out in Annex I to this Prospectus.

**“Emerging Market”** means any country determined by the Directors in their absolute discretion, to be an emerging market or country, as classified by at least one supra-national authority. For the time being such supra-national authorities are the World Bank, the International Monetary Fund and the OECD.

**“Equivalent Rating”** in the case of any security not rated by S&P or Moody’s means an equivalent rating to the relevant rating by S&P or Moody’s, which rating is issued by another Rating Agency as determined by the Manager.

**“Euro”** or **“€”** means the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States.

**“Euroclear”** means Euroclear Clearance System operated by Morgan Guaranty Trust Company of New York, Brussels Office.

**“Eurozone”** means the EU member states from time to time which have adopted the euro as their lawful currency. The list of current Eurozone States is set out in Annex I to this Prospectus.

**“Exempt Irish Investor”** means:

- a) a pension scheme which is an exempt approved scheme within the meaning of section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which section 784 or section 785 of the Taxes Act applies that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- b) a company carrying on life business within the meaning of section 706 of the Taxes Act that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- c) an Investment Undertaking that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- d) a special investment scheme within the meaning of section 737 of the Taxes Act that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- e) a unit trust to which section 731(5)(a) of the Taxes Act applies that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- f) a charity being a person referred to in section 739D(6)(f)(i) of the Taxes Act that has

made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;

- g) a qualifying management company within the meaning of section 734(1) of the Taxes Act that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- h) a specified company within the meaning of section 734(1) of the Taxes Act that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- i) a person who is exempt from income tax and capital gains tax under section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund and the “qualifying fund manager” (within the meaning of section 784A of the Taxes Act) has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- j) a person exempt from income tax and capital gains tax by virtue of section 848E of the Taxes Act where the Shares held are assets of a special savings incentive account and the “qualifying savings manager” (within the meaning of section 848B of the Taxes Act) has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- k) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I of the Taxes Act and the Shares are assets of a PRSA and the PRSA Manager (within the meaning of Chapter 2A of Part 30 of the Taxes Act) has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- l) a credit union within the meaning of section 2 of the Credit Union Act 1997 that has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event;
- m) a company in respect of its investment in a money market fund within the meaning of Regulation (EC) No 2423/2001 of the European Central Bank of 22/11/2001, where such company is within the charge to corporation tax and has made a declaration to that effect to the Trust and has supplied details of its corporation tax reference number to the Trust;
- n) a Qualifying Company which has which has made a declaration to that effect to the Trust and has supplied details of its corporation tax reference number to the Trust;
- o) the National Asset Management Agency which has made a declaration to that effect to the Trust;
- p) an investment limited partnership within the meaning of section 739J of the Taxes Act that has made a Relevant Declaration to the Trust, which is in the possession of the Trust prior to the occurrence of a chargeable event;
- q) the National Treasury Management Agency or a fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency, and the National Treasury Management Agency has made a declaration to that effect to the Trust;

- r) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment Act 2018), and the Motor Insurers' Bureau of Ireland has made a declaration to that effect to the Trust; or
- s) an Intermediary acting on behalf of persons who are neither Resident in Ireland nor Ordinarily Resident in Ireland or an Intermediary acting on behalf of the persons Resident in Ireland listed above that, where relevant, has made a Relevant Declaration which is in the possession of the Trust prior to the occurrence of a chargeable event.

**"Exempt Non-Resident Investor"** means any person that is neither Resident in Ireland or Ordinarily Resident in Ireland at the time of the chargeable event provided either

- (a) the Trust is in possession of a Relevant Declaration and is not in possession of any information that would reasonably suggest that the information contained therein is no longer materially correct; or
- (b) the Trust is in possession of a written notice of approval from the Revenue Commissioners pursuant to the provisions of section 739D (7B) of the Taxes Act to the effect that section 739D (7) or section 739D (9) of the Taxes Act is deemed to have been complied with in respect of the Unitholder and that approval has not been withdrawn.

**"Fund"** means the separate investment fund maintained for each class of Unit.

**"Independent Auditors"** means KPMG or any other entity acting as auditors of the Trust.

**"Intermediary"** means a person who: (i) carries on a business which consists of, or includes, the receipt of payments from an Investment Undertaking on behalf of other persons; or (ii) holds Units in an Investment Undertaking on behalf of other persons.

**"Investment Adviser"** means an entity specialising in professional investment advice for investment portfolios

**"Investment Grade"** means a rating of better than BB+ as rated by S&P or better than Ba1 as rated by Moody's or an Equivalent Rating.

**"Investment Manager"** means any investment manager as the Manager may from time to time appoint.

**"Investment Undertaking"** means an investment undertaking within the meaning of section 739B of the Taxes Act.

**"Ireland"** means Republic of Ireland.

**"Knowledgeable Employee"** means an investor who has satisfied the following conditions:

- (a) the investor is the Manager or any company appointed to provide investment management or advisory services to the Trust;
- (b) the investor is a director of the Manager or any company appointed to provide investment management or advisory services to the Trust; or

- (c) the investor is an employee of the Manager or any company appointed to provide investment management or advisory services to the Trust and is directly involved in the investment activities of the Trust or is a senior employee of the Manager or any company appointed to provide investment management or advisory services to the Trust and has experience in the provision of investment management services (and the Manager is satisfied that the investor falls within these criteria);
- (d) and who certifies in writing to the Trust that
  - (i) they are availing of the exemption from the Minimum Initial Subscription requirement of €100,000 on the basis that they are a “Knowledgeable Employee” as defined above;
  - (ii) they are aware that each Fund is normally marketed solely to Qualifying Investors who are subject to a Minimum Initial Subscription of €100,000;
  - (iii) they are aware of the risk involved in the proposed investment; and
  - (iv) they are aware that inherent in such investment is the potential to lose all of the sum invested;

“**Leaflet**” means the explanatory leaflet issued by the Manager in connection with each respective Fund and which is supplemental to, and forms an integral part of, the Prospectus.

“**Manager**” means Universal Investment Ireland Fund Management Limited (trading as Universal Investment Ireland), which acts as manager and authorised AIFM of the Trust or any successor thereto which may be appointed to act as the manager or authorised AIFM of the Trust, with the prior approval of the Central Bank.

“**Member State**” means a country which, for the time being, is a member state of the European Union. The list of current EU Member States is set out in Annex I to this Prospectus.

“**MiFID II**” means the Markets in Financial Instruments Directive (2014/65/EC);

“**Minimum Initial Subscription**” means an aggregate minimum subscription in a Fund of not less than €100,000 (or its equivalent in any currency in which Units are denominated) or such minimum initial subscription as specified by the Central Bank for schemes such as the Trust, or such greater amount as may be determined by the Manager and as set out in the applicable Leaflet.

“**Net Asset Value**” or “**NAV**” means the total net aggregate value of the assets of a Fund on any particular Business Day. The Net Asset Value per Unit is the Net Asset Value divided by the number of Units in issue in the relevant Fund at the relevant Valuation Point. The Net Asset Value is calculated at least on a quarterly basis and in accordance with the Trust Deed, the relevant provisions of which are summarised in Section 5 hereto.

“**OECD**” means the Organisation for Economic Co-operation and Development and its members from time to time. The list of current member states of the OECD is set out in Annex I to this Prospectus.

“**Ordinarily Resident in Ireland**” an individual who has been Resident in Ireland for three consecutive tax years becomes Ordinarily Resident with effect from the commencement of the fourth tax year. An individual who has been Ordinarily Resident in Ireland is no longer Ordinarily Resident in Ireland with effect from the commencement of the fourth consecutive

tax year in which they are not Resident in Ireland.

**“Professional Investor”** means an investor which is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II of MiFID II.

**“Promotional Expenses”** means all expenses relating to the printing and distribution of any sales literature of any kind relating to the Funds and advertising and promotional costs of any kind.

**“Prospectus”** means this document as may be varied, supplemented or revised from time to time, which serves as an offer of units in the Trust. The Fund Leaflets are supplemental to, and form an integral part of, the Prospectus.

**“Qualifying Company”** means a qualifying company within the meaning of section 110 of the Taxes Act.

**“Qualifying Investor”** means:-

- (a) an investor who is a professional client within the meaning of Annex II of MiFID; or
- (b) an investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the Trust; or
- (c) an investor who certifies that they are an informed investor by providing the following:
  - (i) confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
  - (ii) confirmation (in writing) that the investor’s business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the Trust; or
- (d) a Knowledgeable Employee; and

who certifies in writing to the Manager that such investor meets the minimum criteria listed above including the minimum initial subscription requirement of €100,000 and is aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested.

Within the EU, QIAIFs may only be marketed to Professional Investors unless the Member State in question permits, under the laws of that Member State, AIFs to be sold to other categories of investors and this permission encompasses investors set out in categories (b) and (c) above.

The Directors have determined that as of the date of this Prospectus the only category of Qualifying Investor which shall be permitted to invest in a Fund shall be those investors who meet the definition of “Professional Investor”.

**“Rating Agency”** means Moody’s or S&P or an internationally recognised securities rating agency which shall be substituted for S&P or Moody’s or both.

**“Recognised Clearing system”** includes any of the following clearing systems;

- BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD);
- Central Moneymarkets Office;
- Clearstream Banking SA;
- Clearstream Banking AG;
- CREST;
- Depository Trust Company of New York;
- Deutsche Bank AG, Depository and Clearing Centre;
- Euroclear;
- Hong Kong Securities Clearing Company Limited;
- Japan Securities Depository Centre (JASDEC);
- Monte Titoli SPA;
- Netherlands Centraal Instituut voor Giraal Effectenverkeer BV;
- National Securities Clearing System;
- Sicovam SA;
- SIS Sega Intersettle AG;
- The Canadian Depository for Securities Ltd;
- VPC AB(Sweden); and
- any other system for clearing securities which is designated by order of the Revenue Commissioners of Ireland as a recognised clearing system.

**“Redemption Price”** means the Net Asset Value per Unit on a Dealing Day subject to the possible deduction therefrom of any applicable redemption charges.

**“Register of Unitholders”** means the register maintained recording the details of the Unitholders in accordance with the provisions of the Acts.

**“Registrar and Transfer Agency Agreement”** means the agreement dated 29 October 2021 between the Manager and the Registrar and Transfer Agent as may be amended from time to time.

**“Registrar and Transfer Agent”** means RBC Investor Services Ireland Limited or any successor or replacement registrar and transfer agent appointed to the Trust in accordance with the requirements of the Central Bank.

**“Relevant Declaration”** means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act.

**“Relevant Period”** means, in relation to a Unit in the Trust, a period of eight years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period for as long as the Unitholder holds that Unit.

**“Resident in Ireland”** means any person resident in Ireland for the purposes of Irish tax:

**(a) Individual**

An individual will be regarded as Resident in Ireland for a particular tax year if s/he:

- (i) is present in Ireland for 183 days or more in Ireland in that tax year; or
- (ii) is present in Ireland for 280 days or more, taking into account the number of days present in Ireland in that tax year together with the number of days present in Ireland in the preceding tax year.



Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test.

In determining the number of days present in Ireland, an individual is deemed to be present in Ireland for a day if they are in Ireland at any time during the day.

**(b) Company**

A company will be Resident in Ireland if its central management and control is exercised in Ireland irrespective of where it is incorporated. For Ireland to be treated as the location for central management and control this typically means that Ireland is the location where all fundamental policy decisions of the company are made. This is unless it is regarded as resident in another territory and not in Ireland under the terms of a double tax treaty in effect with Ireland.

A company incorporated in Ireland will be regarded for all purposes of Irish tax legislation as being resident in Ireland unless it is regarded for the purposes of a double tax treaty in effect with Ireland as being resident in that other tax treaty territory and not in Ireland.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

**(c) Trust**

A trust will be Resident in Ireland and Ordinarily Resident in Ireland for the purposes of Irish capital gains tax unless the general administration of the trust is ordinarily carried on outside Ireland and the trustees (being a single and continuing body of persons) or a majority of them for the time being are not Resident in Ireland or Ordinarily Resident in Ireland.

**"Revenue Commissioners"** means the Revenue Commissioners of Ireland.

**"Subscription Price"** means the Net Asset Value per Unit on a Dealing Day subject to the possible addition thereto of any applicable subscription charges as calculated in accordance with the Trust Deed.

**"Taxes Act"** means the Taxes Consolidation Act 1997 of Ireland, as amended.

**"Trust"** means Metzler Universal Trust.

**"Trust Deed"** means the amended and restated trust deed dated 18 May 2016 between the Manager and the Depositary (as amended, restated or supplemented from time to time) which constitutes the Trust.

**"Unit"** means one undivided share representing a beneficial interest in the Trust or, as the case may be, in any Fund.

**"Unitholder"** means a person who is registered as the holder of Units in the Register of Unitholders for the time being kept for or on behalf of the Trust.

**"Valuation Point"** in respect of a Dealing Day, unless otherwise specified in a Leaflet for a Fund, is the time at which the closing market prices in the relevant market; or such other time as the Directors may in their discretion determine) for the Business Day preceding the Dealing Day are available for the purposes of the valuation of assets and liabilities of a Fund

(details of which are set out in Section 5)."

## ANNEX I

### Explanation of defined variable terms used in Prospectus

**Dated 15 June 2023**

EEA Member State	<p>The current member states of the EEA are as follows:</p> <ul style="list-style-type: none"> <li>• The 27 Member States of the European Union as listed below;</li> <li>• Norway;</li> <li>• Iceland; and</li> <li>• Liechtenstein.</li> </ul>
European Union Member States	<ol style="list-style-type: none"> <li>1. Austria</li> <li>2. Belgium</li> <li>3. Bulgaria</li> <li>4. Croatia</li> <li>5. Cyprus</li> <li>6. Czech Republic</li> <li>7. Denmark</li> <li>8. Estonia</li> <li>9. Finland</li> <li>10. France</li> <li>11. Germany</li> <li>12. Greece</li> <li>13. Hungary</li> <li>14. Ireland</li> <li>15. Italy</li> <li>16. Latvia</li> <li>17. Lithuania</li> <li>18. Luxembourg</li> <li>19. Malta</li> <li>20. Poland</li> <li>21. Portugal</li> <li>22. Romania</li> <li>23. Slovak Republic</li> <li>24. Slovenia</li> <li>25. Spain</li> <li>26. Sweden</li> <li>27. The Netherlands</li> </ol>
OECD Member States	<ol style="list-style-type: none"> <li>1. Australia;</li> <li>2. Austria;</li> <li>3. Belgium;</li> <li>4. Canada;</li> <li>5. Chile;</li> <li>6. Czech Republic;</li> <li>7. Denmark;</li> <li>8. Estonia;</li> <li>9. Finland;</li> <li>10. France;</li> <li>11. Germany;</li> <li>12. Greece;</li> </ol>

	13. Hungary; 14. Iceland; 15. Ireland; 16. Israel; 17. Italy; 18. Japan; 19. Latvia 20. Luxembourg; 21. Mexico; 22. Netherlands; 23. New Zealand; 24. Norway; 25. Poland; 26. Portugal; 27. Slovak Republic; 28. Slovenia; 29. South Korea; 30. Spain; 31. Sweden; 32. Switzerland; 33. Turkey; 34. United Kingdom; and 35. United States.
Eurozone States	1. Austria 2. Belgium 3. Cyprus 4. Estonia 5. Finland 6. France 7. Germany 8. Greece 9. Ireland 10. Italy 11. Latvia 12. Lithuania 13. Luxemburg 14. Malta 15. Netherlands 16. Portugal 17. Slovakia 18. Slovenia 19. Spain

## ANNEX II

### Current Tax Rates in Ireland

Dated 15 June 2023

Tax	Current Rate
Dividend Withholding Tax	25%
Income Tax (Standard Rate)	20%
Standard rate of Corporation Tax (on trading income)	12.5%
Higher rate of Corporation Tax (on non-trading income)	25%
Capital Acquisitions Tax	33%
Capital Gains Tax	33%

## LIST OF PARTIES AND ADDRESSES

<b>The Trust</b>	Metzler Universal Trust
<b>Secretary of the Manager</b>	HMP Secretarial Limited
<b>Registered Office of the Trust</b>	Kilmore House Spencer Dock North Wall Quay Dublin 1 D01 YE64 Ireland
<b>Board of Directors of the Manager</b>	Alison Manley Keith Milne Damien Owens Victor Bemann Katja Müller
<b>Manager of the Trust</b>	Universal Investment Ireland Fund Management Limited (trading as Universal Investment Ireland) Kilmore House Spencer Dock North Wall Quay Dublin 1 D01 YE64 Ireland
<b>Investment Manager</b>	Metzler Asset Management GmbH Untermainanlage 1 60329 Frankfurt am Main Germany
<b>Placement Agents</b>	Nomura Securities Co., Ltd Urbannet Otemachi Building 2-2-2, Otemachi, Chiyoda-ku Tokyo 100-8130 Japan  Teneo Partners Japan Limited Hulic Nishiginza Dai-2 Building 6 <sup>th</sup> Floor, 2-2-4 Ginza Chuo-ku Tokyo 104-0061 Japan
<b>Depository</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited 30 Herbert Street Dublin 2 D02 W329 Ireland
<b>Registrar and</b>	RBC Investor Services Ireland Limited

<b>Transfer Agent</b>	4 <sup>th</sup> Floor One George's Quay Plaza George's Quay Dublin 2 Ireland
<b>Independent Auditors</b>	KPMG Chartered Accountants and Registered Auditors 1 Harbourmaster Place International Financial Services Centre Dublin 1 D01 F6F5 Ireland
<b>Principal Banker</b>	Brown Brothers Harriman & Co. 140 Broadway New York, NY 10005-1101 USA
<b>Legal Advisers Ireland</b>	McCann FitzGerald LLP Riverside One Sir John Rogerson's Quay Dublin 2 D02 X576 Ireland
<b>Legal Advisers Japan</b>	Mori Hamada Matsumoto Marunouchi Park Building 2-6-1 Marunouchi, Chiyoda-ku Tokyo, 100-8222 Japan

## **Metzler Balanced Investments Fund**

(the “**Fund**”)

## **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “**Trust**”)

## **LEAFLET**

15 June 2023

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This Leaflet relates to Metzler Balanced Investments Fund, a sub-fund of Metzler Universal Trust, and forms an integral part of the Prospectus. **This Leaflet forms part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of the Trust are set out in the Prospectus and are available to the Manager on request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not “United States Persons,” or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a “United States Person” or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any “United States Person;” which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, “United States” means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and “United States Person” encompasses any person that is not a “Non-United States Person” or is a “U.S. person” within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission (“CFTC”); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the “FIEA”), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Date: 15 June 2023

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

“**Dealing Day**” means each Business Day.

## INTRODUCTION

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Metzler Balanced Investments Fund (the “**Fund**”) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve maximised absolute returns.

### Investment Policy

The Fund will seek to attain its investment objective by investing primarily in the following permitted investments:

- (a) Equities and equity related securities of companies listed on any stock exchange or publicly traded on OTC markets. Permitted equity securities will include common stock and preferred stock convertible into common stock;
- (b) Investment Grade fixed income debt securities issued or guaranteed by government (including local government) and issued by corporate borrowers and by supranational institutions or EU or United Kingdom organisations. (Investment Grade securities being those which have a minimum rating of Baa3 as rated by Moody's Investors Service, Inc. (“**Moody's**”), or BBB- as rated by Standard & Poor's Corporation (“**S&P**”), or an Equivalent Rating);
- (c) European domiciled Exchange Traded Funds (“**ETFs**”) which are listed on any stock exchange. In this regard, the maximum level of management fees that may be charged to the ETFs in which the Fund invests is 2% of net assets; and
- (d) ‘Cash Equivalents’, including:
  - (i) securities issued, or directly and fully guaranteed, or insured by any government (including local government), or any agency or instrumentality thereof, having maturities of no more than one year from the date of acquisition;
  - (ii) time deposits held with, bankers acceptances guaranteed by, and certificates of deposit issued by, any licensed bank which has a rating of at least A-2 by S&P, or the equivalent thereof, maturing within one year from the date of acquisition;
  - (iii) commercial paper issued by a corporation which has a rating of at least A-2 by S&P or P-2 by Moody's, maturing within 90 days after the date of acquisition; and

- (iv) money market funds.

For the avoidance of doubt, Cash Equivalents may not be sponsored or managed by, or affiliated with, the Investment Adviser.

The Manager may, at any time and in its absolute discretion, increase the cash position of the Fund up to 100% of the Net Asset Value of the Fund where it considers this prudent or necessary due to market conditions or for any other reason it considers appropriate.

### **Sustainability Related Disclosures**

**This Fund is not classified as a product promoting environmental or social characteristics within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation") (Article 8), nor as a product with sustainable investment as its objective (Article 9).**

**The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors, including in respect of the Fund. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager.

#### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

## Use of Financial Derivative Instruments

The Fund may use financial derivative instruments for hedging purposes only. The financial derivative instruments employed by the Fund may include futures and/or options.

### Borrowing

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

### Leverage

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

#### (i) *Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 125% of Net Asset Value (i.e., 25% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 300% of Net Asset Value (i.e., 200% in excess of Net Asset Value).

#### (ii) *Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 125% of Net Asset Value (i.e., 25% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 300% of Net Asset Value (i.e., 200% in excess of Net Asset Value).

#### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## THE FUND

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### Base Currency

The base currency of the Fund is the Euro.

### Initial Offer Period

The initial offer period for the Fund is now closed.

### ISIN/WKN

ISIN	WKN
IE00B3N19478	A1H7F8

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to the Fund is EUR 2,000,000 or such other amounts as may be determined by the Directors of the Manager in their absolute discretion in accordance with the requirements of the Central Bank. The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus.

### Subscription Charges

At present no subscription charge is payable in respect of the Fund.

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### Redemption Charges

At present no redemption charge is payable in respect of the Fund.

### Conversion of Units

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### Restriction on Transfer of Units under Japanese Law

In Japan Units will be offered exclusively to 'Qualified Institutional Investors' in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to 'Qualified Institutional Investors' may not be transferred to investors other than 'Qualified Institutional Investors'.

## **Dividend Policy**

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be distributing in nature.

Dividends will be paid out of net income and net realised gains (realised gains less realised losses). Net unrealised gains will not be taken into account when determining any dividend that might be declared.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

## **Investment Manager**

The Manager has engaged the services of Metzler Asset Management GmbH (“MAM” or the “Investment Manager”) to provide discretionary investment management services and advice in connection with the Fund.

### **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, “KVGs”) and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and “special alternative investment funds” under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

The Investment Manager may, from time to time, appoint an investment adviser to provide advice to the Investment Manager on the investment of the assets of the Fund.

## **Management Fee**

A management fee of up to 2% per annum of the Net Asset Value of the Fund is payable to the Manager.

## **Investment Management Fee**

Under its agreement with the Manager, the Investment Manager’s remuneration is paid by the Manager out of its management fee.

Fees payable to any investment adviser appointed by the Investment Manager shall be discharged by the Investment Manager out of its investment management fee.

## **Investment Research Charge**



The Fund shall not be charged for investment research.

### **Establishment Fees and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) amounted to a sum not exceeding EUR 18,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

### **Risk Factors**

In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.8 of the Prospectus.

#### *Sustainability Risks*

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *"Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns"*.

### **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports ("un'yo-hokoku-sho" in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Metzler Target Return Fund**

(the “**Fund**”)

## **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “**Trust**”)

## **LEAFLET**

15 June 2023

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**This Leaflet relates to Metzler Target Return Fund, a sub-fund of Metzler Universal Trust, and forms an integral part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of the Trust are set out in the Prospectus and are available to the Manager on request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not “United States Persons,” or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a “United States Person” or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any “United States Person,” which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, “United States” means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and “United States Person” encompasses any person that is not a “Non-United States Person” or is a “U.S. person” within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission (“CFTC”); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the “FIEA”), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 15 June 2023

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

“**Dealing Day**” means each day that is a Business Day.

## INTRODUCTION

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Metzler Target Return Fund is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve long term capital appreciation.

### Investment Policy

The investment objective will be obtained by investing predominantly in European equities and equity related securities (including but not limited to warrants, ADRs, GDRs and participation certificates). The investments will be selected in such a way that companies with expected long-term and above average growth prospects will be the main focus of the investment portfolio. In addition, the Fund may invest in fixed and floating rate corporate and government bonds and debentures each having an Investment Grade or Equivalent Rating.

The Fund will for the most part be invested in 25-40 securities; however this number may be increased/decreased if the Investment Manager deems it appropriate.

The Fund can invest up to a maximum of 10% of its net assets in other collective investment schemes (“CIS”) established in Europe in order to achieve exposure to European equities and equity related securities. The maximum level of management fees that may be charged to the CIS in which the Fund invests is 5 % of net assets.

The Investment Manager of the Fund may, at any time and in its absolute discretion, increase the cash position of the Fund where it considers this prudent or necessary.

### Sustainability Related Disclosures

**This Fund promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation").**

**Information in relation to the environmental and/or social characteristics promoted by the Fund, and in relation to the consideration of principal adverse impacts, is available at Annex I to this Leaflet entitled “Pre-Contractual Disclosure - Article 8 Disclosure Regulation”.**

### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment

policies and processes of the Investment Manager. Although the Manager does not consider principal adverse impacts on sustainability factors (“PAI”) at entity-level, a consideration of PAI at Fund level is carried out, as further detailed in Annex I. Information on PAI is available in the annual report of the Fund (for annual reports published on or after 1 January 2023).

*Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

### **Use of Financial Derivative Instruments**

The Fund may utilise financial derivative instruments for efficient portfolio management purposes. The financial derivative instruments employed by the Fund may include the following:-

- a) employ foreign exchange futures, foreign exchange options and/or forward currency contracts for hedging purposes or to gain exposure to currencies;
- b) purchase equity index futures (e.g., Euro Stoxx 50 Futures, DAX 30 Futures) for tactical long positions in addition to physical investments in equities;
- c) sell equity index futures (e.g., Euro Stoxx 50 Futures, DAX 30 Futures) for tactical short positions to fully or partially hedge physical equity holdings;
- d) purchase options (long call options to increase exposure, or long put options to partially hedge exposure) in the case of strong market movements on the upside or downside;
- e) sell options (covered short call options, or short put options (e.g., the combination of a long put with a higher strike price and a short put with a lower strike price)) for the purpose of earning premiums in sideways markets; and

- f) employ equity index futures for the optimisation of the tactical allocation within the equity segment (e.g., sell Euro Stoxx 50 Futures and purchase DAX 30 Futures if return expectations are higher for German equities).

### Investment Restrictions

1. The Fund may not make any physical short sale of securities.
2. The Fund may not borrow or lend securities.

### Borrowing

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

### Leverage

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

#### (i) Gross method

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 250% of Net Asset Value (i.e., 150% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 400% of Net Asset Value (i.e., 300% in excess of Net Asset Value).

#### (ii) Commitment method

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

## NAV

Using this method, the average level of leverage of the Fund is not anticipated to exceed 250% of Net Asset Value (i.e., 150% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 400% of Net Asset Value (i.e., 300% in excess of Net Asset Value).

### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.



## THE FUND

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### Base Currency

The base currency of the Fund is Yen.

### Initial Offer Period

The initial offer period for the Fund is now closed.

### ISIN/WKN

ISIN	WKN
IE00B3S4XR28	A1H7F7

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in the Fund is JPY 200,000,000 or such other amounts as may be determined by the Directors of the Manager in their absolute discretion in accordance with the requirements of the Central Bank. The procedure for subscribing for Units is set out in section 4.2 of the Prospectus.

### Subscription Charges

At present no subscription charge is payable in respect of the Fund.

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### Redemption Charges

At present no redemption charge is payable in respect of the Fund.

### Conversion of Units

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### Restriction on Transfer of Units under Japanese Law

In Japan Units will be offered exclusively to 'Qualified Institutional Investors' in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to 'Qualified Institutional Investors' may not be transferred to investors other than 'Qualified Institutional Investors'.

### Dividend Policy

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be distributing in nature.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

### **Investment Manager**

The Manager has engaged the services of Metzler Asset Management GmbH (the “**Investment Manager** or “**MAM**”) to provide discretionary investment management services and advice in connection with the Fund.

### **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group". MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, “KVGs”) and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and “special alternative investment funds” under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46.0 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

### **Management Fee**

A management fee of up to 2% per annum of the Net Asset Value of the Fund is payable to the Manager.

### **Investment Management Fee**

The Manager shall pay the annual fees and charges of the Investment Manager out of the fees payable to the Manager.

### **Investment Research Charge**

From 3 January 2018, following the implementation of the Markets in Financial Instruments Directive (2014/65/EU) (“**MiFID II**”), the Investment Manager of the Fund shall operate a research payment account (“**RPA**”) which will mean that the Fund will bear the costs and expenses associated with investment research required in connection with the operation of such Fund. In accordance with the requirements of MiFID II, the level of costs and expenses borne by the Fund for investment research shall not exceed an amount equivalent to 0.1% of the Fund’s Net Asset Value or JPY 8,000,000 per annum, whichever is lower.

### **Establishment Fees and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) amounted to approximately EUR 14,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of

prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

## **Risk Factors**

**In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.8 of the Prospectus.**

### ***Sustainability Risks***

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *“Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns”*. Environmental, social and governance strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. These effects may have an impact on the Fund’s return, on the assets, financial and earnings position of the Fund and on the reputation of the Trust. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. Environmental, social and governance strategies will be subject to the risks associated with their underlying investments’ asset classes. Further, the demand within certain markets or sectors, that an environmental, social or governance strategy targets, may not develop as forecasted or may develop more slowly than anticipated.

## **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

## **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports (“un'yo-hokoku-sho” in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Annex I**

### **Pre-Contractual Disclosure - Article 8 Disclosure Regulation**

## Environmental and/or social characteristics

**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 lay down 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: \_\_\_\_%**

☐ 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

☐ It will make a minimum of **sustainable investments with a social 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

☐ with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**



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

The Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. Due to the range of investments the Fund can invest in, the environmental and social characteristics promoted by the Fund address a range of environmental, social and corporate governance (“**ESG**”) issues.

The Fund’s assets are invested in securities of issuers that meet defined minimum standards in terms of ESG criteria. Each issuer of equities and/or corporate bonds undergoes a sustainability

analysis undertaken by the Investment Manager prior to acquisition. The ESG performance of an issuer is systematically evaluated on the basis of various environmental and social criteria, as well as information by which corporate governance practices can be assessed. These criteria relate to the following issues:

- Environmental
  - Avoidance of detrimental impacts on ecosystems and loss of biodiversity
- Social
  - Universal human rights
  - Prohibition of child and forced labour
  - Health and safety in the workplace
- Corporate Governance
  - Principles of anti-corruption under the UN Global Compact.

The Fund promotes these environmental and social characteristics through the Investment Manager's consideration of ESG criteria using the following approaches as further outlined below: (i) exclusions, (ii) ESG integration, and (iii) engagement. The abbreviation "ESG" stands for the three aspects of sustainability (i) environmental; (ii) social; and (iii) good corporate governance.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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

**(i) Exclusions**

Investments in securities are excluded if they violate one of over 100 internationally recognised standards. These include, in particular, the United Nations Global Compact, and the United Nations Guiding Principles on Business & Human Rights. The ten principles of the United Nations Global Compact promote sustainable and responsible corporate development in order to make globalisation more socially and ecologically responsible. They fall under the categories of human rights, labour standards, environmental and corruption prevention.

Securities of issuers that produce and/or distribute controversial weapons, such as landmines and cluster munitions are also considered unsustainable, and are therefore excluded.

**(ii) ESG Integration**

The aim of ESG integration is to improve the risk/return profile of the Fund by integrating sustainability aspects into the traditional investment analysis process. The assessment of an issuer's sustainability is carried out by the Investment Manager using published information from the issuers.

In ESG integration, environmental, social and corporate governance criteria are considered by the Investment Manager when making investment decisions. In this context, the investment universe only includes investments that do not fall under the above exclusion criteria.

All issuers of equities and/or corporate bonds are subject to sustainability analysis before their securities are purchased. Key figures on climate and other environmental concerns, negative impacts in the areas of social and employee matters, human rights and anti-corruption are all considered. The analysis covers the following areas:

- (a) involvement in controversial business practices based on over 100 internationally recognised standards;
- (b) sustainability risk management: in addition to ESG ratings and scores, several key performance indicators are considered, which, for example, measure the handling of employee concerns;
- (c) climate rating to measure the transition to a low-carbon economy; and
- (d) compliance of companies with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

In addition, the Investment Manager may also rely on the sustainability assessment of external providers to evaluate the above criteria. External data providers collect information from companies or issuers on how they deal with the above-mentioned sustainability issues and generally also assess these and make this information available to the Investment Manager. With regard to a violation of the ten principles of the UN Global Compact, the Investment Manager generally refers to the information in the sustainability assessments of external data providers.

### **(iii) Engagement**

Engagement will involve discussions regarding business-relevant ESG challenges related to the underlying companies. The Investment Manager enters into a dialogue with the businesses in which it invests and addresses relevant ESG parameters. In doing so, it also seeks to exert its influence to ensure that continuous improvements can be achieved by the companies on the relevant ESG parameters.

The Investment Manager engages with underlying companies via dialogue and voting rights. The Investment Manager has also mandated Columbia Threadneedle Investments to engage with underlying companies via dialogue and voting rights.

If information is available at the underlying asset level, various calculation methods are applied to summarise this at the Fund level.

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

#### **(a) ESG Rating**

Using a rules-based methodology, MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies) assesses the extent to which a company is exposed to ESG risks and opportunities. The rating is based on a seven-point scale and ranges from a leading (AAA, AA), to an above-average (A, BBB, BB), to a lagging (B, CCC) assessment.

#### **(b) CO<sub>2</sub> Footprint**

Indicates how many tonnes of CO<sub>2</sub> are produced on average per EUR 1 million in revenue by the companies included in the Fund's portfolio. Scope 1 emissions caused directly by the companies themselves are considered, as are Scope 2 emissions caused by the use of indirect, purchased energy. CO<sub>2</sub> emissions include the six greenhouse gases of the Kyoto Protocol, which are converted into a CO<sub>2</sub> equivalent.

#### **(c) Number of business dialogues conducted and successes achieved**

The Investment Manager addresses business-relevant sustainability challenges in its discussions with businesses and reports on the number of business dialogues conducted and the successes achieved.

**(d) Compliance with the exclusion criteria**

Exclusion criteria are applied in respect of the Fund as outlined at (i) above. Compliance with the exclusion criteria is continuously monitored and reported by the Investment Manager at regular intervals.

The Investment Manager may conduct its own in-house research using both publicly available information and information sourced from third-party ESG data providers to assess exclusions and ESG integration as outlined at (i) and (ii) above, and to provide an internal view on the rating of a company from an ESG perspective. In this case, the Investment Manager will ensure that investments are screened for all sustainability indicators.

● ***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?***

N/A

● ***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?***

N/A

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

N/A

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

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*





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

**X** Yes

The following PAI are considered:

### Environmental Adverse Impact Indicators

- Activities negatively affecting biodiversity-sensitive areas

### Social Adverse Impact Indicators

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Number of identified cases of severe human rights issues and incidents

No



## What investment strategy does this financial product follow?

The Fund promotes the environmental and social characteristics outlined above using the following approaches: (i) exclusions, (ii) ESG integration, and (iii) engagement, as further outlined in the section above entitled “*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*”. Further detail in relation to the investment strategy of the Fund can be found in the Leaflet.

- ***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 sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the Fund are the binding elements of the investment strategy of the Fund used to select the investments to attain each of the environmental or social characteristics promoted by the Fund.

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

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the Fund’s investment strategy.

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

The Investment Manager assesses the governance practices of investee companies including the company’s management structures, employee relations, employee compensation, and tax compliance as part of its assessment of investments. The Fund invests exclusively in companies which have good corporate governance practices. Directive 2013/34/EU of the European Parliament and of the Council sets out transparency duties with regard to environmental, social and corporate governance aspects in the context of non-financial reporting. Such companies are expected to publish a corporate

governance code under national legislation, at a minimum identifying sound management structures, proper relations with employees, employee compensation and tax compliance.



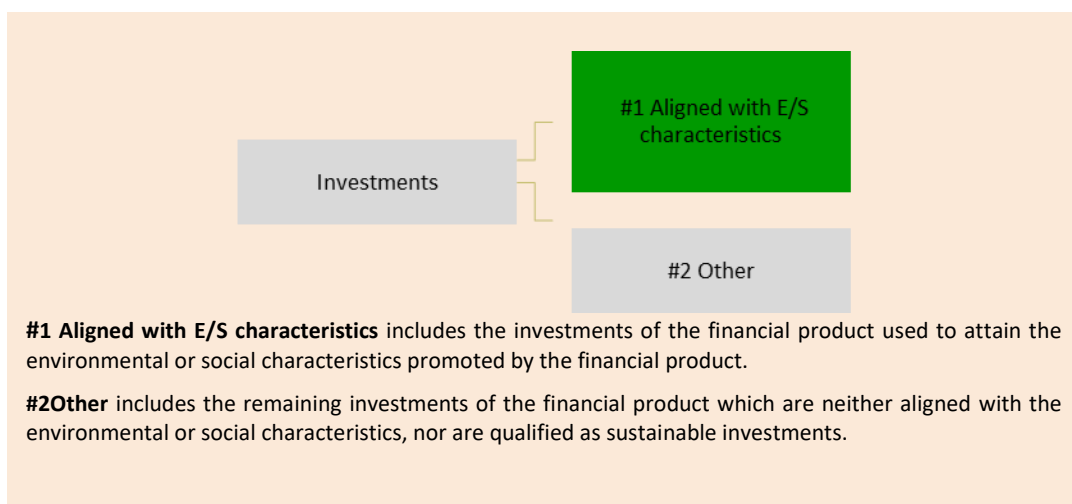
## What is the asset allocation planned for this financial product?

The Fund may acquire a wide range of assets as further detailed in the section of the Leaflet entitled “Investment Policy” and in the Prospectus. Environmental and social factors are considered for all assets that can be directly allocated to individual companies. The planned asset allocation for the Fund is determined on the basis of the previous financial year's valuation or by means of a model portfolio. It is not a binding specification and no assurance can be given that the planned distribution of assets will actually be achieved.

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

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



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

Derivatives are used by the Fund in accordance with the requirements of the investment limits and guidelines set out in the Prospectus and Leaflet. Derivatives are neutral positions in the Fund's portfolio and are not explicitly used to attain the environmental and/or social characteristics of the Fund.



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

N/A. The Fund does not commit to making any investments which are aligned with the EU Taxonomy.

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**


<sup>1</sup> 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.

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.

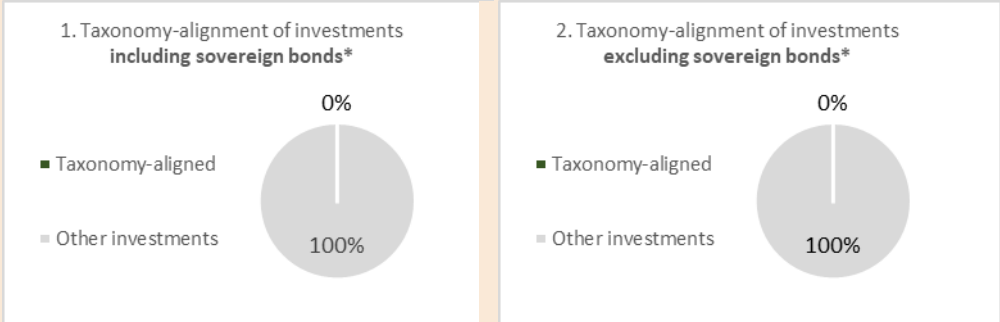
 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

☐ 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


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

N/A



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

N/A



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

N/A



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

These investments include hedging instruments, investments for diversification purposes and cash instruments.

For other investments that do not form part of the Fund's sustainability strategy, there are no binding criteria for the Investment Manager to consider minimum environmental and/or

social safeguards. This is either due to the nature of the assets, where at the time of the preparation of this Annex, there are no legal requirements or standard market procedures regarding how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, and are then also not subject to the consideration of minimum environmental and/or social safeguards.



**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?***

N/A

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

N/A

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

N/A

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

N/A

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



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

**More product-specific information can be found on the website:**

<https://fondsfinder.universal-investment.com/api/v1/IE/IE00B3S4XR28/document/SRD/en>

**Metzler Euro Corporate Bond Fund**  
(the “Fund”)

**METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “Trust”)

**LEAFLET**

15 June 2023

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**This Leaflet relates to Metzler Euro Corporate Bond Fund, a sub-fund of Metzler Universal Trust, and forms an integral part of and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of Metzler Universal Trust are set out in the Prospectus and are available from the Manager, upon request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Prospectus (which includes this Leaflet) may not be distributed in the United States or to United States Persons. The distribution of the Prospectus (which includes this Leaflet) and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not “United States Persons,” or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a “United States Person” or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any “United States Person,” which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, “United States” means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and “United States Person” encompasses any person that is not a “Non-United States Person” or is a “U.S. person” within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission (“CFTC”); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the “FIEA”), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 15 June 2023

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

“**Dealing Day**” means each Business Day.

## INTRODUCTION

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Metzler Euro Corporate Bond Fund (the “**Fund**”) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve interest income and long term capital appreciation.

### Investment Policy

The Fund shall seek to attain its investment objective by investing predominantly in corporate debt securities of global issuers denominated in Euro. Examples of such securities include, but are not limited to, fixed coupon corporate bonds and floating rate corporate bonds. Metzler Asset Management GmbH (the “**Investment Manager**” or “**MAM**”), utilises a combination of a macro top down selection methodology and a bottom up fundamental analysis approach with regard to the selection of such securities – the asset class selection and the rating allocation will follow the top down approach and the security selection (within the selected asset classes and rating allocation) will adopt the bottom up approach.

In addition, the Fund may also invest in other Euro-denominated debt securities such as fixed and floating rate government bonds.

Any debt securities in which the Fund invests will have a rating of at least Investment Grade or Equivalent Rating at the time of purchase. For the avoidance of doubt, the Fund will not invest in any Investment Grade, or Equivalent Rating, debt securities issued in a country with a credit rating of CCC+ or below by S&P or Caa1 or below by Moody’s.

The Fund can invest up to a maximum of 10% of its Net Assets Value in other collective investment schemes. The investment objective and policy of such collective investment schemes will be consistent with the investment objective and policy of the Fund.

The Fund may also use financial derivative instruments as set out in more detail below in the section entitled ‘Use of Financial Derivative Instruments’.

It is the intention of the Fund to adhere to the investment policy referred to above as much as possible, however, market circumstances (e.g., exceptional market circumstances outside the control of the Investment Manager) may lead to temporary deviations from this policy such as increasing the cash holding in the Fund.

### Sustainability Related Disclosures



**This Fund promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation").**

**Information in relation to the environmental and/or social characteristics promoted by the Fund, and in relation to the consideration of principal adverse impacts, is available at Annex I to this Leaflet entitled "Pre-Contractual Disclosure - Article 8 Disclosure Regulation".**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager. Although the Manager does not consider principal adverse impacts on sustainability factors ("PAI") at entity-level, a consideration of PAI at Fund level is carried out, as further detailed in Annex I. Information on PAI is available in the annual report of the Fund (for annual reports published on or after 1 January 2023).

#### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

#### *Use of Financial Derivative Instruments*

The Fund may use financial derivative instruments for both hedging purposes and investment purposes. The financial derivative instruments employed by the Fund may include options, currency forwards, foreign exchange futures, foreign exchange options and/or interest rate futures. Derivatives may be used by the Fund in the manner detailed below.

Options may be used to hedge or achieve exposure to a particular underlying investment.

Foreign exchange futures, foreign exchange options and/or forward currency contracts may be used to hedge or to gain exposure to currencies.

Interest rate futures (a futures contract with an underlying instrument that pays interest) may be used to adjust the Fund's interest rate or duration exposure.

The underlying assets to which the Fund will have exposure as a result of entering into such derivative arrangements will be consistent with the investment policy of the Fund.

The Fund may purchase financial derivative instruments generally using only a fraction of the assets that would be needed to purchase the relevant securities directly. The Investment Manager may seek to achieve greater returns by purchasing financial derivative instruments and investing the remaining assets of the Fund in the securities referred to in the investment policies above in order to seek to add excess return. The use of financial derivative instruments by the Investment Manager may therefore increase the Fund's risk profile.

### **Borrowing**

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

### **Leverage**

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

#### *(i) Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 140% of Net Asset Value (i.e., 40% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 200% of Net Asset Value (i.e., 100% in excess of Net Asset Value).

#### *(ii) Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 140% of Net Asset Value (i.e., 40% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 200% of Net Asset Value (i.e., 100% in excess of Net Asset Value).

### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## THE FUND

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### Base Currency

The base currency of the Fund is the Euro.

### Initial Offer Period

The initial offer period for the Fund is now closed.

### ISIN/WKN

ISIN	WKN
IE00BY02749	A14V5T

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to the Fund is EUR 10,000,000 or such other amounts as may be determined by the Directors of the Manager in their absolute discretion in accordance with the requirements of the Central Bank. The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus.

### Subscription Charges

At present no subscription charge is payable in respect of the Fund.

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

### Redemption Charges

At present no redemption charge is payable in respect of the Fund.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### Conversion of Units

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### Restriction on Transfer of Units under Japanese Law

In Japan Units will be offered exclusively to 'Qualified Institutional Investors' in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to 'Qualified Institutional Investors' may not be transferred to investors other than 'Qualified Institutional Investors'.

## **Dividend Policy**

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be distributing in nature.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

## **Investment Manager**

The Manager has engaged the services of the Investment Manager to provide discretionary investment management services and advice in connection with the Fund.

## **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, "KVGs") and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and "special alternative investment funds" under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories "Equities", "Fixed Income", "Balanced" and "Absolute Return & Capital Preservation Strategies". Metzler Real Estate business is also included.

## **Management Fee**

A management fee of up to 2% per annum of the Net Asset Value of the Fund is payable to the Manager.

## **Investment Management Fee**

The Manager shall pay the annual fees and charges of the Investment Manager out of the fees payable to the Manager.

## **Investment Research Charge**

The Fund shall not be charged for investment research.

## **Establishment Expenses and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) amounted to a sum not exceeding EUR 16,500. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of

prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

## **Risk Factors**

**In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.8 of the Prospectus.**

### ***Sustainability Risks***

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *“Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns”*. Environmental, social and governance strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. These effects may have an impact on the Fund’s return, on the assets, financial and earnings position of the Fund and on the reputation of the Trust. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. Environmental, social and governance strategies will be subject to the risks associated with their underlying investments’ asset classes. Further, the demand within certain markets or sectors, that an environmental, social or governance strategy targets, may not develop as forecasted or may develop more slowly than anticipated.

## **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

## **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

## **Exemption from Investment Reports under the Japanese Law**

No Investment Reports (“un'yo-hokoku-sho” in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Annex I**

### **Pre-Contractual Disclosure - Article 8 Disclosure Regulation**

## Environmental and/or social characteristics

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

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of sustainable investments 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

☐ It will make a minimum of sustainable investments with a social 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

☐ with an environmental objective in economic activities that 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 promotes E/S characteristics, but will not make any sustainable investments

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. Due to the range of investments the Fund can invest in, the environmental and social characteristics promoted by the Fund address a range of environmental, social and corporate governance ("ESG") issues.



The Fund's assets are invested in securities of issuers that meet defined minimum standards in terms of ESG criteria. Each issuer of equities and/or corporate bonds undergoes a sustainability analysis undertaken by the Investment Manager prior to acquisition. The ESG performance of an issuer is systematically evaluated on the basis of various environmental and social criteria, as well as information by which corporate governance practices can be assessed. These criteria relate to the following issues:

- Environmental
  - Avoidance of detrimental impacts on ecosystems and loss of biodiversity
- Social
  - Universal human rights
  - Prohibition of child and forced labour
  - Health and safety in the workplace
- Corporate Governance
  - Principles of anti-corruption under the UN Global Compact.

The Fund promotes these environmental and social characteristics through the Investment Manager's consideration of ESG criteria using the following approaches as further outlined below: (i) exclusions, (ii) ESG integration, and (iii) engagement. The abbreviation "ESG" stands for the three aspects of sustainability (i) environmental; (ii) social; and (iii) good corporate governance.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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

**(i) Exclusions**

Investments in securities are excluded if they violate one of over 100 internationally recognised standards. These include, in particular, the United Nations Global Compact, and the United Nations Guiding Principles on Business & Human Rights. The ten principles of the United Nations Global Compact promote sustainable and responsible corporate development in order to make globalisation more socially and ecologically responsible. They fall under the categories of human rights, labour standards, environmental and corruption prevention.

Securities of issuers that produce and/or distribute controversial weapons, such as landmines and cluster munitions are also considered unsustainable, and are therefore excluded.

**(ii) ESG Integration**

The aim of ESG integration is to improve the risk/return profile of the Fund by integrating sustainability aspects into the traditional investment analysis process. The assessment of an issuer's sustainability is carried out by the Investment Manager using published information from the issuers.

In ESG integration, environmental, social and corporate governance criteria are considered by the Investment Manager when making investment decisions. In this context, the investment universe only includes investments that do not fall under the above exclusion criteria.

All issuers of equities and/or corporate bonds are subject to sustainability analysis before their securities are purchased. Key figures on climate and other environmental concerns,

negative impacts in the areas of social and employee matters, human rights and anti-corruption are all considered. The analysis covers the following areas:

- (a) involvement in controversial business practices based on over 100 internationally recognised standards, including the UN Global Compact;
- (b) sustainability risk management: in addition to ESG ratings and scores, several key performance indicators are considered, which, for example, measure the handling of employee concerns;
- (c) climate rating to measure the transition to a low-carbon economy; and
- (d) compliance of companies with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

In addition, the Investment Manager may also rely on the sustainability assessment of external providers to evaluate the above criteria. External data providers collect information from companies or issuers on how they deal with the above-mentioned sustainability issues and generally also assess these and make this information available to the Investment Manager. With regard to a violation of the ten principles of the UN Global Compact, the Investment Manager generally refers to the information in the sustainability assessments of external data providers.

### **(iii) Engagement**

Engagement will involve discussions regarding business-relevant ESG challenges related to the underlying companies. The Investment Manager enters into a dialogue with the businesses in which it invests and addresses relevant ESG parameters. In doing so, it also seeks to exert its influence to ensure that continuous improvements can be achieved by the companies on the relevant ESG parameters.

The Investment Manager engages with underlying companies via dialogue and voting rights. The Investment Manager has also mandated Columbia Threadneedle Investments to engage with underlying companies via dialogue and voting rights.

If information is available at the underlying asset level, various calculation methods are applied to summarise this at the Fund level.

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

### **(a) ESG Rating**

Using a rules-based methodology, MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies) assesses the extent to which a company is exposed to ESG risks and opportunities. The rating is based on a seven-point scale and ranges from a leading (AAA, AA), to an above-average (A, BBB, BB), to a lagging (B, CCC) assessment.

### **(b) CO<sub>2</sub> Footprint**

Indicates how many tonnes of CO<sub>2</sub> are produced on average per EUR 1 million in revenue by the companies included in the Fund's portfolio. Scope 1 emissions caused directly by the companies themselves are considered, as are Scope 2 emissions caused by the use of indirect, purchased energy. CO<sub>2</sub> emissions include the six greenhouse gases of the Kyoto Protocol, which are converted into a CO<sub>2</sub> equivalent.

**(c) Number of business dialogues conducted and successes achieved**

The Investment Manager addresses business-relevant sustainability challenges in its discussions with businesses and reports on the number of business dialogues conducted and the successes achieved.

**(d) Compliance with the exclusion criteria**

Exclusion criteria are applied in respect of the Fund as outlined at (i) above. Compliance with the exclusion criteria is continuously monitored and reported by the Investment Manager at regular intervals.

The Investment Manager may conduct its own in-house research using both publicly available information and information sourced from third-party ESG data providers to assess exclusions and ESG integration as outlined at (i) and (ii) above, and to provide an internal view on the rating of a company from an ESG perspective. In this case, the Investment Manager will ensure that investments are screened for all sustainability indicators.

● ***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?***

N/A

● ***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?***

N/A

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

N/A

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

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

☒ Yes

The following PAI are considered:

### Environmental Adverse Impact Indicators

- Activities negatively affecting biodiversity-sensitive areas

### Social Adverse Impact Indicators

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Number of identified cases of severe human rights issues and incidents

☐ No



## What investment strategy does this financial product follow?

The Fund promotes the environmental and social characteristics outlined above using the following approaches: (i) exclusions, (ii) ESG integration, and (iii) engagement, as further outlined in the section above entitled “*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*”. Further detail in relation to the investment strategy of the Fund can be found in the Leaflet.

- ***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 sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the Fund are the binding elements of the investment strategy of the Fund used to select the investments to attain each of the environmental or social characteristics promoted by the Fund.

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

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the Fund’s investment strategy.

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

The Investment Manager assesses the governance practices of investee companies including the company’s management structures, employee relations, employee compensation, and tax compliance as part of its assessment of investments. The Fund invests exclusively in companies which have good corporate governance practices.

**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-corruption and anti-bribery matters.

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

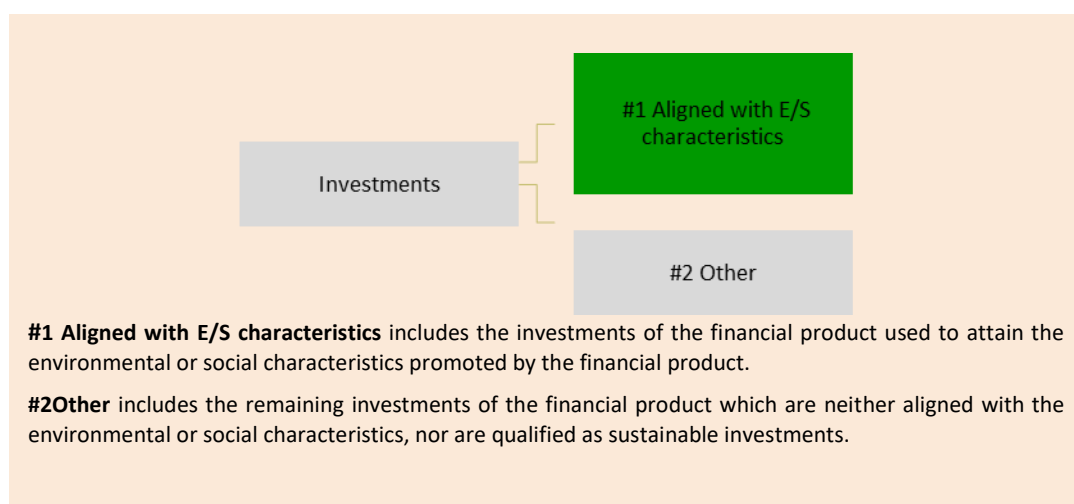
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Directive 2013/34/EU of the European Parliament and of the Council sets out transparency duties with regard to environmental, social and corporate governance aspects in the context of non-financial reporting. Such companies are expected to publish a corporate governance code under national legislation, at a minimum identifying sound management structures, proper relations with employees, employee compensation and tax compliance.



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

The Fund may acquire a wide range of assets as further detailed in the section of the Leaflet entitled "Investment Policy" and in the Prospectus. Environmental and social factors are considered for all assets that can be directly allocated to individual companies. The planned asset allocation for the Fund is determined on the basis of the previous financial year's valuation or by means of a model portfolio. It is not a binding specification and no assurance can be given that the planned distribution of assets will actually be achieved.



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

Derivatives are used by the Fund in accordance with the requirements of the investment limits and guidelines set out in the Prospectus and Leaflet. Derivatives are neutral positions in the Fund's portfolio and are not explicitly used to attain the environmental and/or social characteristics of the Fund.



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

N/A. The Fund does not commit to making any investments which are aligned with the EU Taxonomy.

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

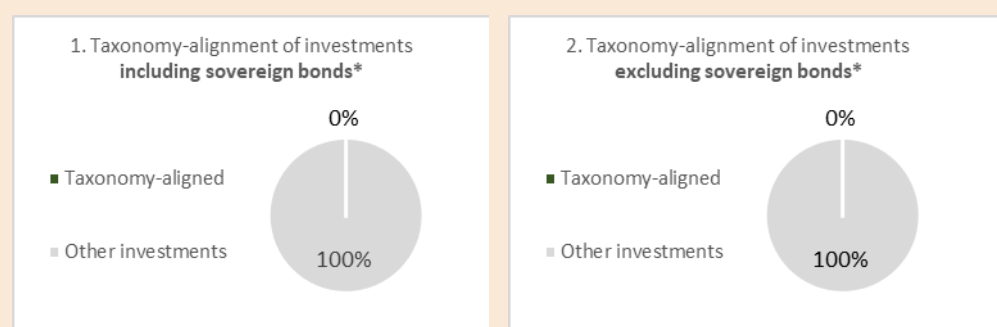
Taxonomy-aligned activities are expressed as a share of:

- **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

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐ 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

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

N/A



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

N/A



- What is the minimum share of socially sustainable investments?

N/A

<sup>1</sup> 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 investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

These investments include hedging instruments, investments for diversification purposes and cash instruments.

For other investments that do not form part of the Fund's sustainability strategy, there are no binding criteria for the Investment Manager to consider minimum environmental and/or social safeguards. This is either due to the nature of the assets, where at the time of the preparation of this Annex, there are no legal requirements or standard market procedures regarding how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, and are then also not subject to the consideration of minimum environmental and/or social safeguards.



## 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?*

N/A

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

N/A

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

N/A

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

N/A

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



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

More product-specific information can be found on the website:

<https://fondsfinder.universal-investment.com/api/v1/IE/IE00BY02749/document/SRD/en>

## **Metzler Asian Balanced Investments Fund**

(the “Fund”)

## **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “Trust”)

## **LEAFLET**

15 June 2023

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This Leaflet relates to Metzler Asian Balanced Investments Fund a sub-fund of Metzler Universal Trust, and forms an integral part of the Prospectus. **This Leaflet forms part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of Metzler Universal Trust are set out in the Prospectus and are available from the Manager, upon request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not "United States Persons," or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a "United States Person" or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any "United States Person;" which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, "United States" means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and "United States Person" encompasses any person that is not a "Non-United States Person" or is a "U.S. person" within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission ("CFTC"); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the "FIEA"), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 15 June 2023

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

**“Business Day”** means any day on which banks are open for business in Dublin, Frankfurt am Main and the United States

**“Dealing Day”** means each Business Day.

## INTRODUCTION

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Metzler Asian Balanced Investments Fund (the “Fund”) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve maximised absolute returns.

### Investment Policy

The Fund will seek to attain its investment objective by investing primarily in the following permitted investments:

- (a) Asian Equities and equity related securities (including ADRs and GDRs) of companies located in Asia and/or where the ultimate risk attaching to the securities reposes in or is determined by reference to events in Asia, listed on any Asian or OECD stock exchange or publicly traded on OTC markets in Asian or OECD countries. Permitted equity securities will include IPOs, common stock and preferred stock convertible into common stock;
- (b) Asian Investment Grade debt securities issued by government and corporate borrowers located in Asia and by Asian supranational institutions or Asian organisations. Permitted debt securities will include fixed income bonds, subordinated bonds, floating rate bonds, discount bonds, convertible bonds, bonds with warrants attached and asset backed bonds. (Investment Grade securities being those which have a minimum rating of Baa3 as rated by Moody's Investors Service, Inc. ("**Moody's**"), or BBB- as rated by Standard & Poor's Corporation ("**S&P**"), or an Equivalent Rating);
- (c) Asian Real Estate Investment Trusts ("**REITs**") where the ultimate risk attaching to the REIT reposes in or is determined by reference to events in Asia. The REIT shall be domiciled in Asia or OECD member states and/or listed on any Asian or OECD stock exchange. In this regard, the maximum level of management fees that may be charged by the REITs in which the Fund invests will be 2% of the net asset value of the relevant REIT;
- (d) Asian Exchange Traded Funds ("**ETFs**") which invest in the Asian markets. The ETF can be domiciled in Asia or OECD member states and/or listed on any Asian or OECD stock exchange. In this regard, the maximum level of management fees that may be

charged by the ETFs in which the Fund invests is 2% of the net asset value of the relevant ETF; and

(e) 'Cash Equivalents', including:

- (i) securities issued, or directly and fully guaranteed, or insured by any Asian government, or any agency or instrumentality thereof, having maturities of no more than one year from the date of acquisition;
- (ii) time deposits held with, bankers acceptances guaranteed by, and certificates of deposit issued by, any Asian licensed bank which has a rating of at least A-2 by S&P, or the equivalent thereof, maturing within one year from the date of acquisition;
- (iii) commercial paper issued by an Asian corporation which has a rating of at least A-2 by S&P or P-2 by Moody's, maturing within 90 days after the date of acquisition; and
- (iv) money market funds domiciled in Asia.

For the avoidance of doubt, Cash Equivalents may not be sponsored or managed by, or affiliated with, the Investment Manager.

For the avoidance of doubt, the primary geographical focus will be on permitted investments issued in Asia (excluding Japan) or where the ultimate risk attaching to the permitted investments reposes in, or is determined by reference to events in, Asia (excluding Japan).

The Manager may, at any time and in its absolute discretion, increase the cash position of the Fund up to 100% of the Net Asset Value of the Fund where it considers this prudent or necessary due to market conditions or for any other reason it considers appropriate.

#### **Sustainability Related Disclosures**

**This Fund is not classified as a product promoting environmental or social characteristics within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation") (Article 8), nor as a product with sustainable investment as its objective (Article 9).**

**The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors, including in respect of the Fund. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager.

#### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the

Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

#### **Use of Financial Derivative Instruments**

The Fund may use financial derivative instruments for efficient portfolio management or investment purposes. The financial derivative instruments employed by the Fund may include foreign exchange futures, equity index futures, bond index futures, foreign exchange options and/or currency forwards.

#### **Borrowing**

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

#### **Leverage**

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by

any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

(i) *Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 300% of Net Asset Value (i.e., 200% in excess of Net Asset Value).

(ii) *Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 300% of Net Asset Value (i.e., 200% in excess of Net Asset Value).

### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## THE FUND

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### Base Currency

The base currency of the Fund is US Dollar (USD).

### Initial Offer Period

The initial offer period for the Fund is now closed.

### Initial Offer Price

Units in the Fund shall be offered at a price of USD100 per Unit during the initial offer period.

### ISIN/WKN

ISIN	WKN
IE00BD2X4R24	A2AHQV

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to the Fund is USD15,000,000 or such other amounts as may be determined by the Directors of the Manager in their absolute discretion in accordance with the requirements of the Central Bank.

The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus. However, the Dealing Deadline for subscriptions only in respect of the Fund shall be 11.30 a.m. Irish Standard Time on the Business Day which falls two Business Days prior to the relevant Dealing Day.

### Subscription Charges

A subscription charge payable to the Manager or its agent to cover distribution costs of up to 0.30% of the Net Asset Value of the relevant Units subscribed for by each investor will be charged on each subscription.

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus. However, the Dealing Deadline for redemptions only in respect of the Fund shall be 11.30 a.m. Irish Standard Time on the Business Day which falls four Business Days prior to the relevant Dealing Day.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie

does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### **Redemption Charges**

At present no redemption charge is payable in respect of the Fund.

### **Conversion of Units**

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### **Transfer Restriction of Units under the Japanese Law**

In Japan, Units will be offered exclusively to Qualified Institutional Investors in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to Qualified Institutional Investors may not be transferred to other than Qualified Institutional Investors.

### **Dividend Policy**

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be distributing in nature.

Dividends will be paid out of net income and net realised gains (realised gains less realised losses). Net unrealised gains will not be taken into account when determining any dividend that might be declared.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

### **Investment Manager**

The Manager has appointed Metzler Asset Management GmbH ("**MAM**" or the "**Investment Manager**") to provide discretionary investment management services and advice in connection with the Fund.

### **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, "KVGs") and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and "special alternative investment funds" under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46 billion, including assets administered within German Master-KVG structures and assets managed by Metzler

Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

### **Investment Adviser**

Pursuant to the Amended and Restated Investment Management Agreement entered into between MAM and the Manager dated 25 July 2014, as amended from time to time, the Investment Manager has the power to appoint investment advisers to provide it with assistance and advice in relation to the management of the assets and investments of the Fund. The Investment Manager shall be responsible for the costs of any such delegation including, without limitation, any fees and expenses of an investment adviser.

### **Description of Investment Adviser**

The Investment Manager has appointed Fukoku Life Investments Singapore Pte. Ltd to provide it with assistance and advice in relation to the management of the assets and investments of the Fund.

Fukoku Life Investments Singapore Pte. Ltd. (formerly known as Fukoku Life Research Singapore Pte.Ltd.) was established in Singapore as a limited liability in 2014. Fukoku Life Investments Singapore Pte. Ltd. is a wholly owned subsidiary of Fukoku Mutual Life Insurance Company, Japan.

On 1 April 2016, Fukoku Life Investments Singapore Pte. Ltd. was authorised as a Registered Fund Management Company by the Monetary Authority of Singapore. In addition, the Investment Adviser conducts research on economic and financial trends and life insurance markets

### **Management Fee**

A management fee of up to 2% per annum of the Net Asset Value of the Fund is payable to the Manager.

### **Investment Management Fee**

The Manager shall pay the annual fees and charges of the Investment Manager out of the fees payable to the Manager.

### **Investment Research Charge**

The Fund shall not be charged for investment research.

### **Establishment Expenses and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) amounted to a sum not exceeding EUR50,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, costs associated with registering and distributing the Fund in Japan, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

### **Risk Factors**

In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.8 of the Prospectus.

#### *Sustainability Risks*



Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *“Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns”*.

### **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports (“un'yo-hokoku-sho” in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Metzler Smaller Companies Europe**

(the “**Fund**”)

### **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “**Trust**”)

### **LEAFLET**

15 June 2023

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**This Leaflet relates to Metzler Smaller Companies Europe, a sub-fund of Metzler Universal Trust, and forms an integral part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of the Trust are set out in the Prospectus and are available from the Manager on request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not "United States Persons," or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a "United States Person" or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any "United States Person," which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, "United States" means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and "United States Person" encompasses any person that is not a "Non-United States Person" or is a "U.S. person" within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission ("CFTC"); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the "FIEA"), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 15 June 2023

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

“**Dealing Day**” means each day that is a Business Day.

## INTRODUCTION

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Metzler Smaller Companies Europe is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to generate long term capital appreciation.

### Investment Policy

The investment objective will be obtained by investing predominantly in European equities and equity related securities (including warrants), that are listed or traded on regulated markets. The selection of equities will be carried out in such a way that medium to small companies, measured by market capitalisation, will form the main focus of the portfolio.

It is the intention of the Fund to adhere to the investment policy referred to above as much as possible, however, market circumstances (e.g. exceptional market circumstances outside the control of the Investment Manager) may lead to temporary deviations from this policy.

In addition, the Fund may invest in fixed and floating rate bonds and debentures issued by corporates, governments or government-like entities (i.e., agency, supranational, government guaranteed, federal state, local authority) each having an Investment Grade or Equivalent Rating, and listed or traded on regulated markets.

The Fund can invest up to a maximum of 10% of its net assets in other investment funds. The investment policy of such investment funds will be consistent with the investment policy of the Fund. The maximum level of management fees that may be charged to the investment fund in which the Fund invests is 5 % of net assets.

The Investment Manager of the Fund may, at any time and in its absolute discretion, increase the cash position of the Fund where it considers this prudent or necessary, for example (i) at the commencement of trading, the Investment Manager may not be able to be fully invested in securities due to prevailing market conditions; (ii) in preparation for repurchase, the Investment Manager may intentionally increase the cash position in the Fund.

### Sustainability Related Disclosures

**This Fund promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation").**

**Information in relation to the environmental and/or social characteristics promoted by the Fund, and in relation to the consideration of principal adverse impacts, is available at Annex I to this Leaflet entitled “Pre-Contractual Disclosure - Article 8 Disclosure Regulation”.**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager. Although the Manager does not consider principal adverse impacts on sustainability factors (“PAI”) at entity-level, a consideration of PAI at Fund level is carried out, as further detailed in Annex I. Information on PAI is available in the annual report of the Fund (for annual reports published on or after 1 January 2023).

#### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

#### **Financial Derivative Instruments**

The financial derivative instruments employed by the Fund may be:

Exchange traded equity future and/or option contracts (i.e., a contract which has an equity index or an individual equity as its underlying) may be used to hedge or achieve exposure to equity markets.

Exchange traded currency futures and/or options contracts and/or over the counter currency forward contracts (i.e. contracts which have a currency as their underlying) may be used to hedge or achieve exposure to currencies.

The underlying assets to which the Fund will have exposure as a result of entering into such derivative arrangements will be consistent with the investment policy of the Fund.

## Borrowing

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

## Leverage

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

### (i) *Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 250% of Net Asset Value (i.e., 150% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 400% of Net Asset Value (i.e., 300% in excess of Net Asset Value).

### (ii) *Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 250% of Net Asset Value (i.e., 150% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 400% of Net Asset Value (i.e., 300% in excess of Net Asset Value).

**Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## THE FUND

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### Base Currency

The base currency of the Fund is Euro.

### Initial Offer Period

The initial offer period for the Fund is now closed.

### ISIN/WKN

ISIN	WKN
IE00BYWN0600	A2DQTJ

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in the Fund is EUR 10,000,000.00 or such other amounts as may be determined by the Directors of the Manager in its absolute discretion in accordance with the requirements of the Central Bank. The procedure for subscribing for Units is set out in section 4.2 of the Prospectus.

### Subscription Charges

At present no subscription charge is payable in respect of the Fund.

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### Redemption Charges

At present no redemption charge is payable in respect of the Fund.

### Conversion of Units

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### Restriction on Transfer of Units under Japanese Law

In Japan Units will be offered exclusively to 'Qualified Institutional Investors' in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to 'Qualified Institutional Investors' may not be transferred to investors other than 'Qualified Institutional Investors'.



## **Dividend Policy**

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be distributing in nature.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

## **Investment Manager**

The Manager has engaged the services of Metzler Asset Management GmbH (the “**Investment Manager** or “**MAM**”) to provide discretionary investment management services and advice in connection with the Fund.

## **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, “KVGs”) and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and “special alternative investment funds” under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

## **Management Fee**

A management fee of up to 2% per annum of the Net Asset Value of the Fund is payable to the Manager.

In the event that the current management fee attributable to the Units is increased, Unitholders will be notified of such an increase. If the Manager proposes to increase the management fee beyond the permitted maximum management fee in respect of the Units, it will be necessary to obtain Unitholder consent in advance of such a change taking place.

## **Investment Management Fee**

The Manager shall pay the annual fees and charges of the Investment Manager out of the fees payable to the Manager.

## **Investment Research Charge**

From 3 January 2018, following the implementation of the Markets in Financial Instruments Directive (2014/65/EU) (“**MiFID II**”), the Investment Manager of the Fund shall operate a research payment account (“**RPA**”) which will mean that the Fund will bear the costs and expenses associated with investment research required in connection with the operation of such Fund. In accordance with the requirements of MiFID II, the level of costs and expenses borne by the Fund for investment research

shall not exceed an amount equivalent to 0.2% of the Fund's Net Asset Value or EUR 60,000 per annum, whichever is lower.

### **Establishment Fees and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) are expected to amount to approximately EUR 15,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

### **Risk Factors**

**In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.8 of the Prospectus.**

### ***Sustainability Risks***

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *"Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns"*. Environmental, social and governance strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. These effects may have an impact on the Fund's return, on the assets, financial and earnings position of the Fund and on the reputation of the Trust. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. Environmental, social and governance strategies will be subject to the risks associated with their underlying investments' asset classes. Further, the demand within certain markets or sectors, that an environmental, social or governance strategy targets, may not develop as forecasted or may develop more slowly than anticipated.

### **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports ("un'yo-hokoku-sho" in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Annex I**

### **Pre-Contractual Disclosure - Article 8 Disclosure Regulation**

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<div><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ____%</b><div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div> <div><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ____%</b></div>	<div><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments<div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with a social objective</div></div> <div><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></div>



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

The Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. Due to the range of investments the Fund can invest in, the environmental and social characteristics promoted by the Fund address a range of environmental, social and corporate governance (“ESG”) issues.

The Fund's assets are invested in securities of issuers that meet defined minimum standards in terms of ESG criteria. Each issuer of equities and/or corporate bonds undergoes a sustainability analysis undertaken by the Investment Manager prior to acquisition. The ESG performance of an issuer is systematically evaluated on the basis of various environmental and social criteria, as well as information by which corporate governance practices can be assessed. These criteria relate to the following issues:

- Environmental
  - Avoidance of detrimental impacts on ecosystems and loss of biodiversity
- Social
  - Universal human rights
  - Prohibition of child and forced labour
  - Health and safety in the workplace
- Corporate Governance
  - Principles of anti-corruption under the UN Global Compact.

The Fund promotes these environmental and social characteristics through the Investment Manager's consideration of ESG criteria using the following approaches as further outlined below: (i) exclusions, (ii) ESG integration, and (iii) engagement. The abbreviation "ESG" stands for the three aspects of sustainability (i) environmental; (ii) social; and (iii) good corporate governance.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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

**(i) Exclusions**

Investments in securities are excluded if they violate one of over 100 internationally recognised standards. These include, in particular, the United Nations Global Compact, and the United Nations Guiding Principles on Business & Human Rights. The ten principles of the United Nations Global Compact promote sustainable and responsible corporate development in order to make globalisation more socially and ecologically responsible. They fall under the categories of human rights, labour standards, environmental and corruption prevention.

Securities of issuers that produce and/or distribute controversial weapons, such as landmines and cluster munitions are also considered unsustainable, and are therefore excluded.

**(ii) ESG Integration**

The aim of ESG integration is to improve the risk/return profile of the Fund by integrating sustainability aspects into the traditional investment analysis process. The assessment of an issuer's sustainability is carried out by the Investment Manager using published information from the issuers.

In ESG integration, environmental, social and corporate governance criteria are considered by the Investment Manager when making investment decisions. In this context, the investment universe only includes investments that do not fall under the above exclusion criteria.

All issuers of equities and/or corporate bonds are subject to sustainability analysis before their securities are purchased. Key figures on climate and other environmental concerns, negative impacts in the areas of social and employee matters, human rights and anti-corruption are all considered. The analysis covers the following areas:

- (a) involvement in controversial business practices based on over 100 internationally recognised standards, including the UN Global Compact;
- (b) sustainability risk management: in addition to ESG ratings and scores, several key performance indicators are considered, which, for example, measure the handling of employee concerns;
- (c) climate rating to measure the transition to a low-carbon economy; and
- (d) compliance of companies with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

In addition, the Investment Manager may also rely on the sustainability assessment of external providers to evaluate the above criteria. External data providers collect information from companies or issuers on how they deal with the above-mentioned sustainability issues and generally also assess these and make this information available to the Investment Manager. With regard to a violation of the ten principles of the UN Global Compact, the Investment Manager generally refers to the information in the sustainability assessments of external data providers.

**(iii) Engagement**

Engagement will involve discussions regarding business-relevant ESG challenges related to the underlying companies. The Investment Manager enters into a dialogue with the businesses in which it invests and addresses relevant ESG parameters. In doing so, it also seeks to exert its influence to ensure that continuous improvements can be achieved by the companies on the relevant ESG parameters.

The Investment Manager engages with underlying companies via dialogue and voting rights. The Investment Manager has also mandated Columbia Threadneedle Investments to engage with underlying companies via dialogue and voting rights.

If information is available at the underlying asset level, various calculation methods are applied to summarise this at the Fund level.

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

**(a) ESG Rating**

Using a rules-based methodology, MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies) assesses the extent to which a company is exposed to ESG risks and opportunities. The rating is based on a seven-point scale and ranges from a leading (AAA, AA), to an above-average (A, BBB, BB), to a lagging (B, CCC) assessment.

**(b) CO<sub>2</sub> Footprint**

Indicates how many tonnes of CO<sub>2</sub> are produced on average per EUR 1 million in revenue by the companies included in the Fund's portfolio. Scope 1 emissions caused directly by the companies themselves are considered, as are Scope 2 emissions caused by the use of indirect, purchased energy. CO<sub>2</sub> emissions include the six greenhouse gases of the Kyoto Protocol, which are converted into a CO<sub>2</sub> equivalent.

**(c) Number of business dialogues conducted and successes achieved**

The Investment Manager addresses business-relevant sustainability challenges in its discussions with businesses and reports on the number of business dialogues conducted and the successes achieved.

**(d) Compliance with the exclusion criteria**

Exclusion criteria are applied in respect of the Fund as outlined at (i) above. Compliance with the exclusion criteria is continuously monitored and reported by the Investment Manager at regular intervals.

The Investment Manager may conduct its own in-house research using both publicly available information and information sourced from third-party ESG data providers to assess exclusions and ESG integration as outlined at (i) and (ii) above, and to provide an internal view on the rating of a company from an ESG perspective. In this case, the Investment Manager will ensure that investments are screened for all sustainability indicators.

● ***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?***

N/A

● ***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?***

N/A

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

N/A

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

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

☒ Yes

The following PAI are considered:

### Environmental Adverse Impact Indicators

- Activities negatively affecting biodiversity-sensitive areas

### Social Adverse Impact Indicators

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Number of identified cases of severe human rights issues and incidents

☐ No

**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-corruption and anti-bribery matters.



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



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



Asset allocation describes the share of investments in specific assets.

### What investment strategy does this financial product follow?

The Fund promotes the environmental and social characteristics outlined above using the following approaches: (i) exclusions, (ii) ESG integration, and (iii) engagement, as further outlined in the section above entitled “*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*”. Further detail in relation to the investment strategy of the Fund can be found in the Leaflet.

- ***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 sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the Fund are the binding elements of the investment strategy of the Fund used to select the investments to attain each of the environmental or social characteristics promoted by the Fund.

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

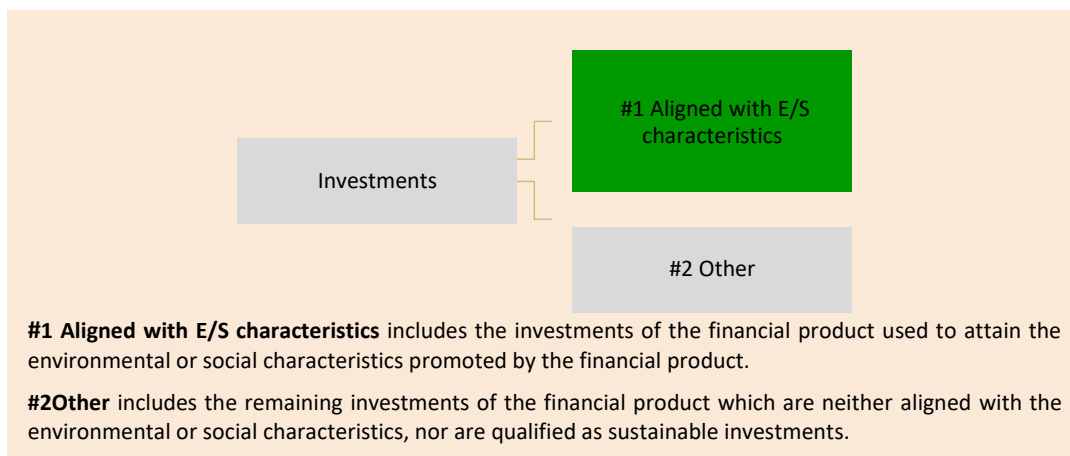
N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the Fund’s investment strategy.

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

The Investment Manager assesses the governance practices of investee companies including the company’s management structures, employee relations, employee compensation, and tax compliance as part of its assessment of investments. The Fund invests exclusively in companies which have good corporate governance practices. Directive 2013/34/EU of the European Parliament and of the Council sets out transparency duties with regard to environmental, social and corporate governance aspects in the context of non-financial reporting. Such companies are expected to publish a corporate governance code under national legislation, at a minimum identifying sound management structures, proper relations with employees, employee compensation and tax compliance.

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

The Fund may acquire a wide range of assets as further detailed in the section of the Leaflet entitled “Investment Policy” and in the Prospectus. Environmental and social factors are considered for all assets that can be directly allocated to individual companies. The planned asset allocation for the Fund is determined on the basis of the previous financial year’s valuation or by means of a model portfolio. It is not a binding specification and no assurance can be given that the planned distribution of assets will actually be achieved.



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

Derivatives are used by the Fund in accordance with the requirements of the investment limits and guidelines set out in the Prospectus and Leaflet. Derivatives are neutral positions in the Fund's portfolio and are not explicitly used to attain the environmental and/or social characteristics of the Fund.



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

N/A. The Fund does not commit to making any investments which are aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

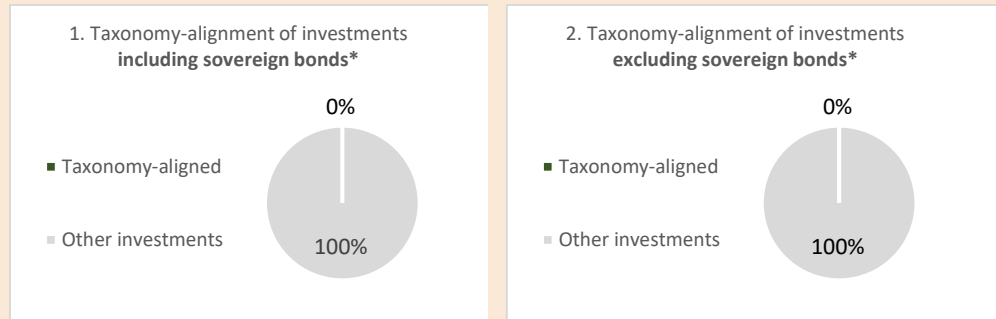
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

<sup>1</sup> 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.

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

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 minimum share of investments in transitional and enabling activities?**

N/A



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

N/A



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

N/A



are

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



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

These investments include hedging instruments, investments for diversification purposes and cash instruments.

For other investments that do not form part of the Fund's sustainability strategy, there are no binding criteria for the Investment Manager to consider minimum environmental and/or social safeguards. This is either due to the nature of the assets, where at the time of the preparation of this Annex, there are no legal requirements or standard market procedures regarding how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, and are then also not subject to the consideration of minimum environmental and/or social safeguards.



## 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?*

N/A

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

N/A

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

N/A

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

N/A



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

More product-specific information can be found on the website:

<https://fondsfinder.universal-investment.com/api/v1/IE/IE00BYWN0600/document/SRD/en>



## **European Equity ESG Fund**

(the “Fund”)

## **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “Trust”)

## **LEAFLET**

31 January 2024

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This Leaflet relates to European Equity ESG Fund, a sub-fund of Metzler Universal Trust, and forms an integral part of the Prospectus. **This Leaflet forms part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of the Trust are set out in the Prospectus and are available to the Manager on request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not “United States Persons,” or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a “United States Person” or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any “United States Person;” which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, “United States” means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and “United States Person” encompasses any person that is not a “Non-United States Person” or is a “U.S. person” within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission (“CFTC”); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the “FIEA”), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 31 January 2024



## INTRODUCTION

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European Equity ESG Fund (the “**Fund**”) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve capital appreciation.

### Investment Policy

The Fund will seek to attain its investment objective by primarily investing in European equities and equity related securities (including but not limited to warrants, ADRs, GDRs and participation certificates), that are listed or traded on regulated markets. It is intended that the equity portfolio will predominantly contain securities issued by companies with sustainability characteristics.

The Manager will utilise top-down macro analysis methodologies to evaluate the European equity markets against criteria such as, but not limited to, expected regional and individual country growth rates, volatility of equity markets and the relative attractiveness of asset types to determine equity allocation. Secondly ‘ESG’ (i.e. environmental, social and governance) factors are considered when weighting sectors within the portfolio.

The ‘ESG’ screening process is based on the Manager’s analysis of defined ‘ESG’ criteria being environmental (e.g. waste disposal), social (e.g. consumer protection) and governance (e.g. resource management) criteria which help measure sustainability performance. The screening is conducted using sustainability data offered by independent investment research providers.

The Manager will then use bottom-up selection analysis to evaluate relative strengths of companies within individual sectors and individual companies’ sustainability performance to select the individual equities to hold within the portfolio.

The Fund may also invest in Exchange Traded Funds (“**ETFs**”) which are listed on any European stock exchange. The investment policy of such ETFs will be consistent with the investment policy of the Fund. The maximum level of management fees that may be charged to the ETFs in which the Fund invests is 2% of net assets.

In addition, the Fund may invest in ‘Cash Equivalents’, including:

- i. Investment Grade debt securities issued, or directly and fully guaranteed, or insured by any government, or any agency or instrumentality thereof, having maturities of no more than one year from the date of acquisition;
- ii. time deposits held with, bankers acceptances guaranteed by, and certificates of deposit issued by, any licensed bank which has a rating of at least A-2 by S&P, or the equivalent thereof, maturing within one year from the date of acquisition;
- iii. commercial paper issued by a corporation which has a rating of at least A-2 by S&P or P-2 by Moody's, maturing within 90 days after the date of acquisition; and
- iv. money market funds.

For the avoidance of doubt, Cash Equivalents may not be sponsored or managed by, or affiliated with, the Investment Adviser.

The Manager may, at any time and in its absolute discretion, increase the cash position of the Fund up to 100% of the Net Asset Value of the Fund where it considers this prudent or necessary due to market conditions or for any other reason it considers appropriate.

### **Sustainability Related Disclosures**

**This Fund promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation").**

**Information in relation to the environmental and/or social characteristics promoted by the Fund, and in relation to the consideration of principal adverse impacts, is available at Annex I to this Leaflet entitled "Pre-Contractual Disclosure - Article 8 Disclosure Regulation".**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager. Although the Manager does not consider principal adverse impacts on sustainability factors ("PAI") at entity-level, a consideration of PAI at Fund level is carried out, as further detailed in Annex I. Information on PAI is available in the annual report of the Fund (for annual reports published on or after 1 January 2023).

#### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

## Use of Financial Derivative Instruments

The Fund may use financial derivative instruments for hedging purposes only. The financial derivative instruments that may be employed by the Fund may include exchange traded foreign exchange futures, foreign exchange options and/or OTC currency forward contracts.

## Borrowing

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

## Leverage

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

### (i) Gross method

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 250% of Net Asset Value (i.e., 150% in excess of Net Asset Value).

### (ii) Commitment method

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 250% of Net Asset Value (i.e., 150% in excess of Net Asset Value).

#### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## THE FUND

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### Base Currency

The base currency of the Fund is the Euro.

### Initial Offer Period

The initial offer period for the Fund has now closed.

### ISIN/WKN

ISIN	WKN
IE00BG0VKW64	A2JD52

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to the Fund is EUR 10,000,000 or such other amounts as may be determined by the Directors of the Manager in its absolute discretion in accordance with the requirements of the Central Bank. The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus.

### Subscription Charges

A subscription charge payable to the Manager or its agent to cover distribution costs of up to 5% of the Net Asset Value of the relevant Units subscribed for by each investor will be charged on each subscription.

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### Redemption Charges

At present no redemption charge is payable in respect of the Fund.

### Conversion of Units

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### Restriction on Transfer of Units under Japanese Law

In Japan Units will be offered exclusively to 'Qualified Institutional Investors' in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to 'Qualified Institutional Investors' may not be transferred to investors other than 'Qualified Institutional Investors'.

### Dividend Policy

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be distributing in nature.

Dividends will be paid out of net income and net realised gains (realised gains less realised losses). Net unrealised gains will not be taken into account when determining any dividend that might be declared.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

### **Investment Manager**

The Manager has engaged the services of Metzler Asset Management GmbH (“**MAM**” or the “**Investment Manager**”) to provide discretionary management services and advice in connection with the Fund.

### **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, “KVGs”) and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and “special alternative investment funds” under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

The Investment Manager may, from time to time, appoint an investment adviser to provide advice to the Investment Manager on the investment of the assets of the Fund.

### **Management Fee**

A management fee of up to 2% per annum of the Net Asset Value of the Fund is payable to the Manager.

### **Investment Management Fee**

Under its agreement with the Manager, the Investment Manager’s remuneration is paid by the Manager out of its management fee.

Fees payable to any investment adviser appointed by the Investment Manager shall be discharged by the Investment Manager out of its investment management fee.

### **Investment Research Charge**

The Fund shall not be charged for investment research.

### **Establishment Fees and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) amounted to a sum not exceeding EUR 45,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

### **Risk Factors**

Investors should refer to section 1.8 of the Prospectus for a summary of the risk factors.

### **Sustainability Risks**

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *“Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns”*. Environmental, social and governance strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. These effects may have an impact on the Fund’s return, on the assets, financial and earnings position of the Fund and on the reputation of the Trust. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. Environmental, social and governance strategies will be subject to the risks associated with their underlying investments’ asset classes. Further, the demand within certain markets or sectors, that an environmental, social or governance strategy targets, may not develop as forecasted or may develop more slowly than anticipated.

### **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports (“un'yo-hokoku-sho” in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Annex I**

### **Pre-Contractual Disclosure - Article 8 Disclosure Regulation**



## Environmental and/or social characteristics

**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 lay down 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: \_\_\_\_%**

☐ 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

☐ It will make a minimum of **sustainable investments with a social 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

☐ with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**

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

The Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. Due to the range of investments the Fund can invest in, the environmental and social characteristics promoted by the Fund address a range of environmental, social and corporate governance (“ESG”) issues.

The Fund’s assets are invested in securities of issuers that meet defined minimum standards in terms of ESG criteria. Each issuer of equities and/or corporate bonds undergoes a sustainability analysis undertaken by the Investment Manager prior to acquisition. The ESG performance of an issuer is systematically evaluated on the basis of various environmental and social criteria, as well as information by which corporate governance practices can be assessed. These criteria relate to the following issues:



- Environmental
  - Avoidance of detrimental impacts on ecosystems and loss of biodiversity
- Social
  - Universal human rights
  - Prohibition of child and forced labour
  - Health and safety in the workplace
- Corporate Governance
  - Principles of anti-corruption under the UN Global Compact.

The Fund promotes these environmental and social characteristics through the Investment Manager's consideration of ESG criteria using the following approaches as further outlined below: (i) exclusions, (ii) ESG integration, and (iii) engagement. The abbreviation "ESG" stands for the three aspects of sustainability (i) environmental; (ii) social; and (iii) good corporate governance.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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

**(i) Exclusions**

The Fund will not invest in the gambling and tobacco sectors. These sectors are considered by the Investment Manager to be environmentally and socially damaging and are expected to underperform the market in the long run.

In addition, in determining the Fund's equities universe, exclusion criteria are applied based on 120 international norms and conventions. The data mostly stems from MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies). Where an underlying company is at the forefront of a "very severe controversy," which is defined as the most serious infringement of one of these international norms and conventions, the Investment Manager will exclude the company from the investment universe. Furthermore, companies with ties to cluster munition or landmines will be excluded.

**(ii) ESG Integration**

The aim of ESG integration is to improve the risk/return profile of the Fund by integrating sustainability aspects into the traditional investment analysis process. The assessment of an issuer's sustainability is carried out by the Investment Manager using published information from the issuers, third party ESG ratings providers and research from brokerage houses.

In ESG integration, environmental, social and corporate governance criteria are considered by the Investment Manager when making investment decisions. In this context, the investment universe only includes investments that do not fall under the above exclusion criteria.

All issuers of equities in the Fund's investment universe are subject to a sustainability analysis before their securities are purchased. The Investment Manager's analysis covers the following topics:

- (a) ESG: The companies must satisfy the Investment Manager's criteria for strong performance on ESG factors. The Investment Manager will use third party ratings agencies to assess an investment's ESG credentials and the Investment Manager will also conduct its own research on investments. The worst performing companies will be automatically excluded. The company must either show above average performance in the relevant ESG areas or show a strong commitment to improving

performance in these areas. The minimum rating for companies must be at least better than CCC; and

- (b) Controversies: Companies with very severe controversies will not be considered for inclusion in the Fund's portfolio.

In addition, the Investment Manager may also rely on the sustainability assessment of external providers to evaluate the above criteria. External data providers collect information from companies or issuers on how they deal with ESG sustainability issues, they generally assess the data collected and they make this information available to the Investment Manager. With regard to assessing the severity of controversies, the Investment Manager generally refers to the information in the sustainability assessments of external data providers.

**(iii) Engagement**

Engagement will involve discussions regarding business-relevant ESG challenges related to the underlying companies. The Investment Manager enters into a dialogue with the businesses in which it invests and addresses relevant ESG parameters. In doing so, it also seeks to exert its influence to ensure that continuous improvements can be achieved by the companies on the relevant ESG parameters.

The Investment Manager engages with underlying companies via dialogue and voting rights. The Investment Manager has also mandated Columbia Threadneedle Investments to engage with underlying companies via dialogue and voting rights.

If information is available at the underlying asset level, various calculation methods are applied to summarise this at the Fund level.

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

**(a) ESG Rating**

Using a rules-based methodology, MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies) assesses the extent to which a company is exposed to ESG risks and opportunities. The rating is based on a seven-point scale and ranges from a leading (AAA, AA), to an above-average (A, BBB, BB), to a lagging (B, CCC) assessment.

**(b) CO<sub>2</sub> Footprint**

Indicates how many tonnes of CO<sub>2</sub> are produced on average per EUR 1 million in revenue by the companies included in the Fund's portfolio. Scope 1 emissions caused directly by the companies themselves are considered, as are Scope 2 emissions caused by the use of indirect, purchased energy. CO<sub>2</sub> emissions include the six greenhouse gases of the Kyoto Protocol, which are converted into a CO<sub>2</sub> equivalent.

**(c) Number of business dialogues conducted and successes achieved**

The Investment Manager addresses business-relevant sustainability challenges in its discussions with businesses and reports on the number of business dialogues conducted and the successes achieved.

**(d) Compliance with the exclusion criteria**

Exclusion criteria are applied in respect of the Fund as outlined at (i) above. Compliance with the exclusion criteria is continuously monitored and reported by the Investment Manager at regular intervals.

The Investment Manager may conduct its own in-house research using both publicly available information and information sourced from third-party ESG data providers to assess exclusions and ESG integration as outlined at (i) and (ii) above, and to provide an internal view on the rating of a company from an ESG perspective. In this case, the Investment Manager will ensure that investments are screened for all sustainability indicators.

- ***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?***

N/A

- ***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?***

N/A

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

N/A

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

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

☒ Yes

The following PAI are considered:

### Environmental Adverse Impact Indicators

- Activities negatively affecting biodiversity-sensitive areas

### Social Adverse Impact Indicators

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Number of identified cases of severe human rights issues and incidents

**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-corruption and anti-bribery matters.



☐ No

## What investment strategy does this financial product follow?

The Fund promotes the environmental and social characteristics outlined above using the following approaches: (i) exclusions, (ii) ESG integration, and (iii) engagement, as further outlined in the section above entitled “*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*”. Further detail in relation to the investment strategy of the Fund can be found in the Leaflet.

- ***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 sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the Fund are the binding elements of the investment strategy of the Fund used to select the investments to attain each of the environmental or social characteristics promoted by the Fund.

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

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the Fund’s investment strategy.

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

The Investment Manager assesses the governance practices of investee companies including the company’s management structures, employee relations, employee compensation, and tax compliance as part of its assessment of investments. The Fund invests exclusively in companies which have good corporate governance practices.

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

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

Directive 2013/34/EU of the European Parliament and of the Council sets out transparency duties with regard to environmental, social and corporate governance aspects in the context of non-financial reporting. Such companies are expected to publish a corporate governance code under national legislation, at a minimum identifying sound management structures, proper relations with employees, employee compensation and tax compliance.



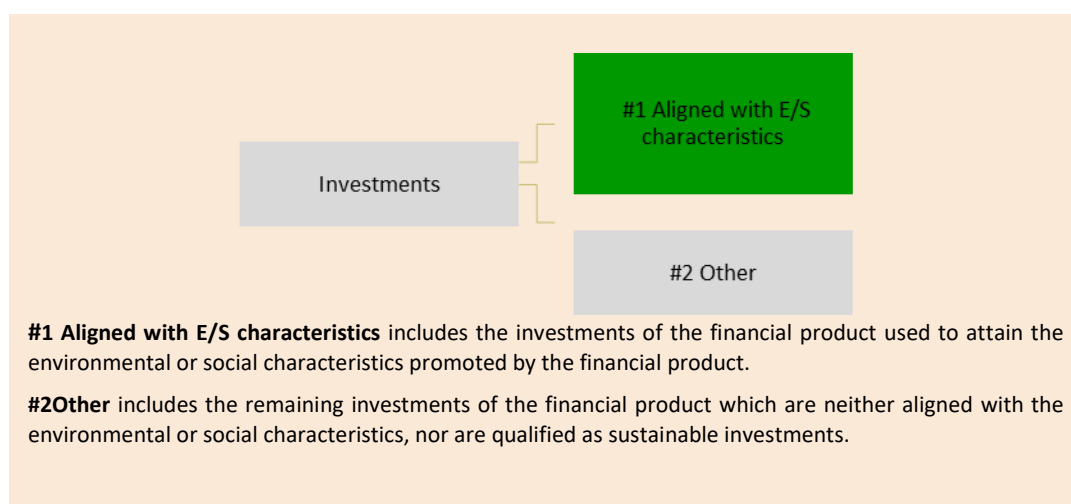
## What is the asset allocation planned for this financial product?

The Fund may acquire a wide range of assets as further detailed in the section of the Leaflet entitled “Investment Policy” and in the Prospectus. Environmental and social factors are considered for all assets that can be directly allocated to individual companies. The planned asset allocation for the Fund is determined on the basis of the previous financial year's valuation or by means of a model portfolio. It is not a binding specification and no assurance can be given that the planned distribution of assets will actually be achieved.

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

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



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

Derivatives are used by the Fund in accordance with the requirements of the investment limits and guidelines set out in the Prospectus and Leaflet. Derivatives are neutral positions in the Fund's portfolio and are not explicitly used to attain the environmental and/or social characteristics of the Fund.



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

N/A. The Fund does not commit to making any investments which are aligned with the EU Taxonomy.

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.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐

Yes:

☐

In fossil gas

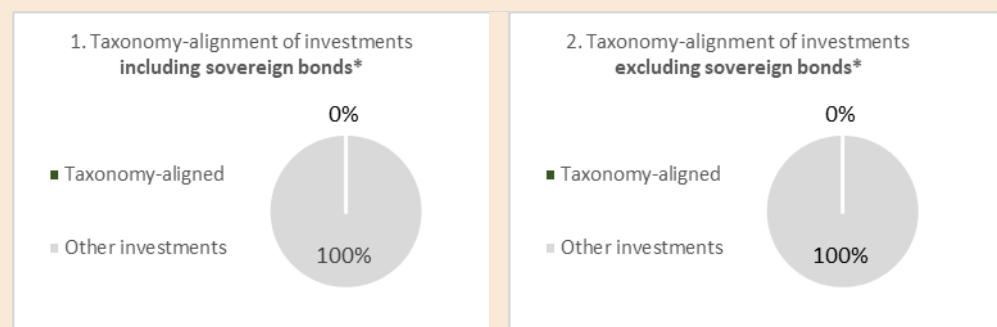
☐

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

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

N/A



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

N/A

are

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

<sup>1</sup> 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 socially sustainable investments?

N/A



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

These investments include hedging instruments, investments for diversification purposes and cash instruments.

For other investments that do not form part of the Fund's sustainability strategy, there are no binding criteria for the Investment Manager to consider minimum environmental and/or social safeguards. This is either due to the nature of the assets, where at the time of the preparation of this Annex, there are no legal requirements or standard market procedures regarding how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, and are then also not subject to the consideration of minimum environmental and/or social safeguards.



### 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?*

N/A

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

N/A

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

N/A

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

N/A

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



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

More product-specific information can be found on the website:

<https://fondsfinder.universal-investment.com/api/v1/IE/IE00BG0VKW64/document/SRD/en>



**Metzler Euro Corp IG Bonds Enhanced**  
(the “Fund”)

**METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “Trust”)

**LEAFLET**

7 June 2023

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**This Leaflet relates to Metzler Euro Corp IG Bonds Enhanced, a sub-fund of Metzler Universal Trust, and forms an integral part of and should be read in conjunction with, the Prospectus dated 29 October 2021, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of Metzler Universal Trust are set out in the Prospectus and are available from the Manager, upon request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Prospectus (which includes this Leaflet) may not be distributed in the United States or to United States Persons. The distribution of the Prospectus (which includes this Leaflet) and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not "United States Persons," or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a "United States Person" or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any "United States Person," which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, "United States" means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and "United States Person" encompasses any person that is not a "Non-United States Person" or is a "U.S. person" within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission ("CFTC"); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the "FIEA"), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, and will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 7 June 2023

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

**“Dealing Day”** means each Business Day.

**“Class A Units”** means a participating unit of no par value in the capital of the Fund which has been designated as a EUR class and which will retain its income;

**“Class B Units”** means a participating unit of no par value in the capital of the Fund which has been designated as a EUR class and which will distribute its income;

**“Class C Units”** means a participating unit of no par value in the capital of the Fund which has been designated as a EUR class and which will retain its income.

**“Class X Units”** means a participating unit of no par value in the capital of the Fund which has been designated as a Euro class and which will retain its income. Class X Units will be available only to those investors (and, where relevant, underlying clients) who are clients of the Investment Manager and/or its affiliates prior to their investment in Class X Units. The Class X Units are being offered subject to a separate management fee charging structure whereby all or part of the fees, normally charged to the Class X Units and expressed in the Net Asset Value per Unit, are administratively levied and collected by the Manager or the Investment Manager directly or indirectly from the Unitholders. The right is reserved by the Manager to reject any application in whole or in part.

## INTRODUCTION

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Metzler Euro Corp IG Bonds Enhanced (the “**Fund**”) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

Four Classes of Units in the Fund are offered through this Leaflet.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve interest income and long term capital appreciation.

### Investment Policy

The Fund shall seek to attain its investment objective by investing predominantly in senior and subordinated corporate debt securities of global issuers denominated in Euro. Examples of such securities include, but are not limited to, fixed coupon corporate bonds and floating rate corporate bonds. Metzler Asset Management GmbH (the “**Investment Manager**” or “**MAM**”), utilises a combination of a macro top down selection methodology and a bottom up fundamental analysis approach with regard to the selection of such securities – the asset class selection and the rating allocation will follow the top down approach and the security selection (within the selected asset classes and rating allocation) will adopt the bottom up approach.

Any debt securities in which the Fund invests will have a rating of at least Investment Grade or Equivalent Rating at the time of purchase.

In addition, the Fund may also invest in other Euro-denominated debt securities such as fixed and floating rate government bond which will have a rating of at least Investment Grade or Equivalent Rating at the time of purchase.

For the avoidance of doubt, the Fund will not invest in any debt securities issued in a country with a credit rating of CCC+ or below by S&P or Caa1 or below by Moody's.

If any downgrade of the credit ratings, restructuring of bonds should occur i.e. any covenants conditions are met and/or bonds are converted to warrants/equities, such securities are to be sold within three months of the downgrade.

The Fund can invest up to a maximum of 10% of its Net Assets Value in other collective investment schemes. The investment objective and policy of such collective investment schemes will be consistent with the investment objective and policy of the Fund.

The Fund may also use financial derivative instruments as set out in more detail below in the section entitled ‘Use of Financial Derivative Instruments’.

It is the intention of the Fund to adhere to the investment policy referred to above as much as possible, however, market circumstances (e.g., exceptional market circumstances outside the control of the Investment Manager) may lead to temporary deviations from this policy such as increasing the cash holding in the Fund.

## Sustainability Related Disclosures

**This Fund promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation").**

**Information in relation to the environmental and/or social characteristics promoted by the Fund, and in relation to the consideration of principal adverse impacts, is available at Annex I to this Leaflet entitled "Pre-Contractual Disclosure - Article 8 Disclosure Regulation".**

### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager. Although the Manager does not consider principal adverse impacts on sustainability factors ("PAI") at entity-level, a consideration of PAI at Fund level is carried out, as further detailed in Annex I. Information on PAI is available in the annual report of the Fund (for annual reports published on or after 1 January 2023).

### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

### *Use of Financial Derivative Instruments*

The Fund may use financial derivative instruments for both hedging purposes and investment purposes. The financial derivative instruments employed by the Fund may include bond futures, and/or interest rate futures. Derivatives may be used by the Fund in the manner detailed below.

Bond and/or interest rates futures may be used to reduce or gain duration exposure.

Interest rate futures (a futures contract with an underlying instrument that pays interest) may be used to adjust the Fund's interest rate or duration exposure.

The underlying assets to which the Fund will have exposure as a result of entering into such derivative arrangements will be consistent with the investment policy of the Fund.

The use of financial derivative instruments by the Investment Manager may decrease or increase the Fund's risk profile.

### **Borrowing**

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

### **Leverage**

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

#### *(i) Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, long and short derivative positions (with no netting or hedging arrangements applied), and excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 140% of Net Asset Value (i.e., 40% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 200% of Net Asset Value (i.e., 100% in excess of Net Asset Value).

#### *(ii) Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Securities}$$

$$\text{Leverage} = \frac{\begin{array}{l} + \text{ Net risk from Derivatives (after Netting / Hedging)} \\ + \text{ Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 140% of Net Asset Value (i.e., 40% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 200% of Net Asset Value (i.e., 100% in excess of Net Asset Value).

#### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.



## THE FUND

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### Base Currency

The base currency of the Fund is the Euro.

### Initial Offer Period

The initial offer period for each Class of Units shall open at 9 a.m. (Irish time) on 8 June 2023. Notwithstanding the provisions of section 4.2 of the Prospectus setting out the time periods within which settlement for the subscription of Units must be effected, the initial offer period for each Class of Units shall close at 5 p.m. (Irish time) on 7 December 2023 or such other dates as determined by the Manager in accordance with the requirements of the Central Bank.

During the initial offer period, all Classes of Units shall be offered at a price of €100 per Unit.

Following the initial offer period, Units will be available for subscription at the Net Asset Value per Unit calculated by the Manager as at the Valuation Point in respect of the Dealing Day.

### ISIN/WKN

Class of Units	ISIN	WKN
Class A	IE00030EPCO4	A3D79Z
Class B	IE000N0JSCX3	A3D791
Class C	IE000NBD3W88	A3D792
Class X	IE000D7ICQ71	A3D793

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to Class A Units and Class B Units in the Fund is EUR 5 million or such other amount as may be determined by the Directors in their absolute discretion .

The Minimum Initial Subscription in relation to Class C Units and Class X Units in the Fund is EUR 20 million or such other amount as may be determined by the Directors in their absolute discretion .

Class of Units	Minimum Initial Subscription in EUR
Class A	5 million
Class B	5 million
Class C	20 million
Class X	20 million

The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus.

### **Subscription Charges**

At present no subscription charge is payable in respect of the Fund.

### **Redemptions**

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

### **Redemption Charges**

At present no redemption charge is payable in respect of the Fund.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### **Conversion of Units**

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### **Restriction on Transfer of Units under Japanese Law**

In Japan Units will be offered exclusively to 'Qualified Institutional Investors' in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. The Units sold to 'Qualified Institutional Investors' may not be transferred to investors other than 'Qualified Institutional Investors'.

### **Dividend Policy**

The Accounting Date of the Trust is 31 December in each year.

It is currently intended that the Class B Units in the Fund will be distributing in nature. Class A Units, Class C Units and Class X Units will be accumulating in nature and will not pay dividends.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

### **Investment Manager**

The Manager has engaged the services of the Investment Manager to provide discretionary investment management services and advice in connection with the Fund.

### **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, "KVGs") and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and "special alternative investment funds" under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46.0 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

### **Management Fee**

<b>Class of Units</b>	<b>Maximum Management Fee</b>	<b>Actual Management Fee</b>
Class A Units	2%	0.30%
Class B Units	2%	0.30%
Class C Units	2%	0.15%
Class X Units *	2%	0.05%

\*For further detail on the fee charging structure which is in place for the Class X Units, please refer to the definition of “Class X Units” on page 1.

### **Investment Management Fee**

The Manager shall pay the annual fees and charges of the Investment Manager out of the fees payable to the Manager.

### **Investment Research Charge**

The Fund shall not be charged for investment research.

### **Establishment Expenses and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) are expected to amount to EUR 25,000 exclusive of VAT. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

### **Risk Factors**

**In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.8 of the Prospectus.**

### ***Sustainability Risks***

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled “*Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*”. Environmental, social and governance strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. These effects may have an impact on the Fund’s return, on the assets, financial and earnings position of the Fund and on the reputation of the Trust. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. Environmental, social and governance strategies will be subject to the risks associated with their underlying investments’ asset classes.

Further, the demand within certain markets or sectors, that an environmental, social or governance strategy targets, may not develop as forecasted or may develop more slowly than anticipated.

### **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports (“un'yo-hokoku-sho” in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.

## **Annex I**

### **Pre-Contractual Disclosure - Article 8 Disclosure Regulation**

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

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

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social 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
- ☐ with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**



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

The Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. Due to the range of investments the Fund can invest in, the environmental and social characteristics promoted by the Fund address a range of environmental, social and corporate governance ("ESG") issues.

The Fund's assets are invested in securities of issuers that meet defined minimum standards in terms of ESG criteria. Each issuer of equities and/or corporate bonds undergoes a sustainability analysis undertaken by the Investment Manager prior to acquisition. The ESG performance of an issuer is systematically evaluated on the basis of various environmental and social criteria, as well as information by which corporate governance practices can be assessed. These criteria relate to the following issues:

- Environmental
  - Avoidance of detrimental impacts on ecosystems and loss of biodiversity
- Social
  - Universal human rights
  - Prohibition of child and forced labour
  - Health and safety in the workplace
- Corporate Governance
  - Principles of anti-corruption under the UN Global Compact.

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

**(i) Exclusions**

The Fund applies activity-based exclusions. Companies that engage in the following activities are excluded:

- production and/or distribution of outlawed weapons, such as landmines and cluster munitions, with no minimum revenue threshold.

The Fund applies norm-based screening by excluding companies that do not comply with the principles of the UN Global Compact, the OECD Guidelines and the recognised standards of the ILO (International Labour Organization).

**(ii) ESG Integration**

The aim of ESG integration is to improve the risk/return profile of the Fund by integrating sustainability aspects into the traditional investment analysis process. The assessment of an issuer's sustainability is carried out by the Investment Manager using published information from the issuers.

In ESG integration, environmental, social and corporate governance criteria are considered by the Investment Manager when making investment decisions. In this context, the investment universe only includes investments that do not fall under the above exclusion criteria.

All issuers of equities and/or corporate bonds are subject to sustainability analysis before their securities are purchased. Key figures on climate and other environmental concerns, negative impacts in the areas of social and employee matters, human rights and anti-corruption are all considered. The analysis covers the following areas:

- (a) involvement in controversial business practices based on over 100 internationally recognised standards, including the UN Global Compact;

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- (b) sustainability risk management: in addition to ESG ratings and scores, several key performance indicators are considered, which, for example, measure the handling of employee concerns;
- (c) climate rating to measure the transition to a low-carbon economy; and
- (d) compliance of companies with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

In addition, the Investment Manager may also rely on the sustainability assessment of external providers to evaluate the above criteria. External data providers collect information from companies or issuers on how they deal with the above-mentioned sustainability issues and generally also assess these and make this information available to the Investment Manager. With regard to a violation of the ten principles of the UN Global Compact, the Investment Manager generally refers to the information in the sustainability assessments of external data providers.

### **(iii) Engagement**

Engagement will involve discussions regarding business-relevant ESG challenges related to the underlying companies. The Investment Manager enters into a dialogue with the businesses in which it invests and addresses relevant ESG parameters. In doing so, it also seeks to exert its influence to ensure that continuous improvements can be achieved by the companies on the relevant ESG parameters.

The Investment Manager engages with underlying companies via dialogue and voting rights. The Investment Manager has mandated Columbia Threadneedle Investments to exercise voting rights.

If information is available at the underlying asset level, various calculation methods are applied to summarise this at the Fund level.

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

### **(a) ESG Rating**

Using a rules-based methodology, MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies) assesses the extent to which a company is exposed to ESG risks and opportunities. The rating is based on a seven-point scale and ranges from a leading (AAA, AA), to an above-average (A, BBB, BB), to a lagging (B, CCC) assessment.

### **(b) CO<sub>2</sub> Footprint**

Indicates how many tonnes of CO<sub>2</sub> are produced on average per EUR 1 million in revenue by the companies included in the Fund's portfolio. Scope 1 emissions caused directly by the companies themselves are considered, as are Scope 2 emissions caused by the use of indirect, purchased energy. CO<sub>2</sub> emissions include the six greenhouse gases of the Kyoto Protocol, which are converted into a CO<sub>2</sub> equivalent.

### **(c) Number of business dialogues conducted and successes achieved**

The Investment Manager addresses business-relevant sustainability challenges in its discussions with businesses and reports on the number of business dialogues conducted and the successes achieved.

### **(d) Compliance with the exclusion criteria**



Exclusion criteria are applied in respect of the Fund as outlined at (i) above. Compliance with the exclusion criteria is continuously monitored and reported by the Investment Manager at regular intervals.

The Investment Manager may conduct its own in-house research using both publicly available information and information sourced from third-party ESG data providers to assess exclusions and ESG integration as outlined at (i) and (ii) above, and to provide an internal view on the rating of a company from an ESG perspective. In this case, the Investment Manager will ensure that investments are screened for all sustainability indicators.

● ***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?***

N/A

● ***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?***

N/A

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

N/A

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

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

☒ Yes

**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-corruption and anti-bribery matters.

The following PAI are considered:

**Environmental Adverse Impact Indicators**

- Activities negatively affecting biodiversity-sensitive areas

**Social Adverse Impact Indicators**

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Number of identified cases of severe human rights issues and incidents

The principal adverse impact indicators are taken into account by applying exclusion criteria.

Information on the PAIs is available in the annual report of the Fund (for annual reports published on or after 1 January 2023).

No



**What investment strategy does this financial product follow?**

The Fund promotes the environmental and social characteristics outlined above using the following approaches: (i) exclusions, (ii) ESG integration, and (iii) engagement, as further outlined in the section above entitled “*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*”. Further detail in relation to the investment strategy of the Fund can be found in the Leaflet.

- ***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 sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the Fund are the binding elements of the investment strategy of the Fund used to select the investments to attain each of the environmental or social characteristics promoted by the Fund.

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

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the Fund’s investment strategy.

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

The Investment Manager assesses the governance practices of investee companies including the company’s management structures, employee relations, employee compensation, and tax compliance as part of its assessment of investments. The Fund

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

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

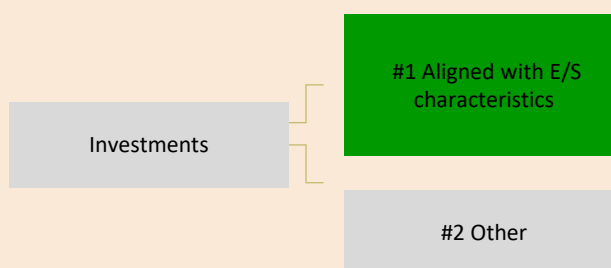
invests exclusively in companies which have good corporate governance practices. Directive 2013/34/EU of the European Parliament and of the Council sets out transparency duties with regard to environmental, social and corporate governance aspects in the context of non-financial reporting. Such companies are expected to publish a corporate governance code under national legislation, at a minimum identifying sound management structures, proper relations with employees, employee compensation and tax compliance. Implementing this policy is accomplished by excluding issuers that violate one of the ten principles of the United Nations Global Compact.



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

The Fund may acquire a wide range of assets as further detailed in the section of the Leaflet entitled "Investment Policy" and in the Prospectus. Environmental and social factors are considered for all assets that can be directly allocated to individual companies. The planned asset allocation for the Fund is determined on the basis of the previous financial year's valuation or by means of a model portfolio. It is not a binding specification and no assurance can be given that the planned distribution of assets will actually be achieved.

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



**#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.

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.

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

Derivatives are used by the Fund in accordance with the requirements of the investment limits and guidelines set out in the Prospectus and Leaflet. Derivatives are neutral positions in the Fund's portfolio and are not explicitly used to attain the environmental and/or social characteristics of the Fund.



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

N/A. The Fund does not commit to making any investments which are aligned with the EU Taxonomy.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

Yes:

In fossil gas

In nuclear energy

X

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.

1. Taxonomy-alignment of investments including sovereign bonds\*

0%

Taxonomy-aligned

Other investments

100%

2. Taxonomy-alignment of investments excluding sovereign bonds\*

0%

Taxonomy-aligned

Other investments

100%

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

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

N/A

<sup>1</sup> 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.

8



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

N/A



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

N/A



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

For other investments that do not form part of the Fund's sustainability strategy, there are no binding criteria for the Investment Manager to consider minimum environmental and/or social safeguards. This is either due to the nature of the assets, where at the time of the preparation of this Annex, there are no legal requirements or standard market procedures regarding how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, and are then also not subject to the consideration of minimum environmental and/or social safeguards.

These remaining investments of the Fund are neither aligned with the environmental or social characteristics promoted by the Fund, nor are qualified as sustainable investments. These other investments include hedging instruments, investments for diversification purposes and cash instruments.



**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?***

N/A

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

N/A

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

N/A

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

N/A

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

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



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

More product-specific information can be found on the following websites:

- Metzler Euro Corp IG Bonds Enhanced/ Class A  
<https://fondsfinder.universal-investment.com/api/v1/IE/IE00030EPC04/document/SRD/en>
- Metzler Euro Corp IG Bonds Enhanced/ Class B  
<https://fondsfinder.universal-investment.com/api/v1/IE/IE000N0JSCX3/document/SRD/en>
- Metzler Euro Corp IG Bonds Enhanced/ Class C  
<https://fondsfinder.universal-investment.com/api/v1/IE/IE000NBD3W88/document/SRD/en>
- Metzler Euro Corp IG Bonds Enhanced/ Class X  
<https://fondsfinder.universal-investment.com/api/v1/IE/IE000D7ICQ71/document/SRD/en>

## **Metzler Global Dividend Enhanced Sustainability**

(the “**Fund**”)

## **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “**Trust**”)

## **LEAFLET**

26 January 2024

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This Leaflet relates to Metzler Global Dividend Enhanced Sustainability, a sub-fund of Metzler Universal Trust, and forms an integral part of the Prospectus. **This Leaflet forms part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus and those Risk Factors relevant to the Fund set out in this Leaflet. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of the Trust are set out in the Prospectus and are available to the Manager on request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not “United States Persons,” or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a “United States Person” or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any “United States Person,” which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, “United States” means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and “United States Person” encompasses any person that is not a “Non-United States Person” or is a “U.S. person” within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission (“CFTC”); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the fund documentation have not been authorised by the Manager. The fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 26 January 2024



## DEFINITIONS

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The following definitions shall apply throughout this Leaflet unless the context requires otherwise:

**“Business Day”** means any day with the exception of public holidays in Ireland and Frankfurt am Main; and

**“Dealing Day”** means each Business Day.

## INTRODUCTION

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Metzler Global Dividend Enhanced Sustainability (the **“Fund”**) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to seek long term capital appreciation.

The Fund also has a sustainable investment objective to invest in companies that make a significant contribution to the reduction of greenhouse gas emissions and climate protection.

### Investment Policy

The Fund shall seek to attain its investment objective by investing, on a diversified basis, its assets in global equities and equity related securities. The investment focus is on quality companies with a historical record of offering strong dividend yields and above-average dividend growth, or with the potential to pay strong dividends in the future, and which contribute to the attainment of the Fund’s sustainable investment objective, as further detailed below. The Fund is actively managed. The portfolio of the Fund will primarily consist of large capitalisation companies with a progressive dividend policy marked by consistently rising dividends. In addition, the Fund invests in growth stocks with lower dividend yields but with above-average dividend growth. Preference is given to companies with greater transparency in business models that deliver reliable profitability coupled with strong balance sheets and consistently rising or stable dividends.

The Fund also has a sustainable investment objective to invest in companies that make a significant contribution to the reduction of greenhouse gas emissions and climate protection. By pursuing the Fund’s sustainable investment objective, the Fund aims to make a significant contribution to the reduction of greenhouse gas emissions and climate protection, and in accordance with the stated aims of the Paris Agreement, to keep the increase in the earth’s average temperature well below 2 °C, and to make efforts to limit it to 1.5 °C above pre-industrial levels as set out in the Paris Agreement. To this end, the Fund invests primarily, while maintaining an appropriate risk mix, in securities of individual issuers whose greenhouse gas emission levels correspond to the best performance of the sector or industry and whose economic activities, as defined in Article 2(17) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the **“Disclosure Regulation”**) contribute to the achievement of sustainable environmental or social objectives.

Further information on the sustainable investment objective can be found in the Annex I to this Leaflet entitled **“Pre-Contractual Disclosure - Article 9 Disclosure Regulation”**.

The Fund may invest up to a maximum of 10% of its net assets in other collective investment schemes

("CIS") in order to achieve exposure to global equities and equity related securities. The maximum level of management fees that may be charged to the CIS in which the Fund invests is 5 % of net assets.

The Fund may also use financial derivative instruments as described in more detail below.

It is the intention of the Fund to adhere to the investment policy referred to above as much as possible, however, market circumstances outside the control of the Investment Manager may lead to temporary deviations from this policy such as increasing the cash holding of the Fund.

#### *Stock selection process*

Investments can be in equities and equity related securities of global companies of any market capitalisation ("all-cap" approach) that are listed or traded on recognised markets.

This universe is initially screened by the Investment Manager to create a list of companies that are in compliance with Article 2(17) of the Disclosure Regulation and the investment policy referenced above. This forms the eligible list of sustainable investments. Following this initial screening, the second step involves the Investment Manager performing an in depth qualitative and quantitative analysis to determine regional allocation and stock selection.

#### **Sustainability Related Disclosures**

**This Fund has a sustainable investment objective within the meaning of Article 9 of the Disclosure Regulation. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.**

**Information about sustainable investments and the consideration of principal adverse impacts on sustainability factors is available at Annex I to this Leaflet entitled "Pre-Contractual Disclosure - Article 9 Disclosure Regulation".**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors. As the investment management function of the Fund has been delegated to the Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager. Although the Manager does not consider principal adverse impacts on sustainability factors ("PAI") at entity-level, a consideration of PAI at Fund level is binding, as further detailed in Annex I. Information on PAI is available in the annual report of the Fund.

#### *Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including

sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

### **Use of Financial Derivative Instruments**

The financial derivative instruments employed by the Fund may be:

- Exchange traded equity future and/or option contracts (i.e., a contract which has an equity index or an individual equity as its underlying) may be used to hedge exposure to equity markets.
- Exchange traded currency futures and/or options contracts (i.e., contracts which have a currency as their underlying) may be used to hedge exposure to currencies.

The underlying assets to which the Fund will have exposure as a result of entering into such derivative arrangements will be consistent with the investment policy of the Fund.

### **Borrowing**

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

### **Leverage**

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

#### *(i) Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value).

(ii) *Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 150% of Net Asset Value (i.e., 50% in excess of Net Asset Value).

**Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## THE FUND

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### Base Currency

The base currency of the Fund is the USD.

### Initial Offer Period

The initial offer period in respect of the Fund will be from 9a.m., 29 January 2024 to 5p.m., 26 July 2024, or such earlier or later dates or times as determined by the Directors in accordance with the requirements of the Central Bank.

During the initial offer period, the shares shall be offered at a price of USD 100 per Share.

Following the closure of the Initial Offer Period, the Dealing Deadline in respect of the Fund shall be 11.00 a.m. Irish Standard Time on the Business Day which falls one Business Day prior to the relevant Dealing Day.

### ISIN/WKN

ISIN	WKN
IE000S4KEHU3	A3EVY1

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to the Fund is USD 5,000,000 or such other amounts as may be determined by the Directors of the Manager in its absolute discretion in accordance with the requirements of the Central Bank. The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus.

### Subscription Charges

At present no subscription charge is payable in respect of the Fund

### Redemptions

The procedure for redeeming Units is set out in section 4.4 of the Prospectus.

With regard to the Fund, the Manager does not intend to redeem Units in specie unless the Manager, subject always to the requirements of the Central Bank, has confirmed that the redemption in specie does not prejudice the interests of the Unitholders so affected and that the Unitholders so affected have all consented to the redemption in specie.

### Redemption Charges

At present no redemption charge is payable in respect of the Fund.

### Conversion of Units

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### Dividend Policy

The Accounting Date of the Trust is 31 December in each year. It is currently intended that the Fund will be accumulating in nature.

### **Investment Manager**

The Manager has engaged the services of Metzler Asset Management GmbH (“MAM” or the “Investment Manager”) to provide discretionary management services and advice in connection with the Fund.

### **Description of Investment Manager**

MAM was founded in Frankfurt/Main, Germany in 1987. MAM is a wholly owned subsidiary of B. Metzler seel. Sohn & Co. AG, the parent company of the "Metzler Group".

MAM focuses on the portfolio management of mutual and special alternative investment funds as well as on acquisition and client relationship management. Furthermore, the company advises other German fund investment companies (Kapitalverwaltungsgesellschaften, “KVGs”) and it manages discretionary investment management mandates. MAM is also a fund investment company (Kapitalverwaltungsgesellschaft) according to German law and its business purpose is also the administration of mutual funds and “special alternative investment funds” under German investment law.

Collectively, the Asset Management division manages substantial assets for institutional clients, segregated funds and mutual funds. At the end of December 2022, total assets equalled EUR 46 billion, including assets administered within German Master-KVG structures and assets managed by Metzler Asset Management GmbH in the product categories “Equities”, “Fixed Income”, “Balanced” and “Absolute Return & Capital Preservation Strategies”. Metzler Real Estate business is also included.

The Investment Manager may, from time to time, appoint an investment adviser to provide advice to the Investment Manager on the investment of the assets of the Fund.

### **Management Fee**

A management fee of up to 1% per annum of the Net Asset Value of the Fund is payable to the Manager.

### **Investment Management Fee**

Under its agreement with the Manager, the Investment Manager’s remuneration is paid by the Manager out of its management fee.

Fees payable to any investment adviser appointed by the Investment Manager shall be discharged by the Investment Manager out of its investment management fee.

### **Investment Research Charge**

The Fund shall not be charged for investment research.

### **Establishment Fees and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) are expected to amount to a sum of EUR 30,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, administration costs, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable

out of the Fund.

### **Risk Factors**

Investors should refer to section 1.8 of the Prospectus for a summary of the risk factors.

### **Sustainability Risks**

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *"Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns"*. Environmental, social and governance strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. These effects may have an impact on the Fund's return, on the assets, financial and earnings position of the Fund and on the reputation of the Trust. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. Environmental, social and governance strategies will be subject to the risks associated with their underlying investments' asset classes. Further, the demand within certain markets or sectors, that an environmental, social or governance strategy targets, may not develop as forecasted or may develop more slowly than anticipated.

### **Taxation**

Investors should refer to section 8 of the Prospectus for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

## **Annex I**

### **Pre-Contractual Disclosure - Article 9 Disclosure Regulation**



Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

<b>Product name:</b> Metzler Global Dividend Enhanced Sustainability	<b>Legal entity identifier (Lei-Code):</b> 529900QHZTY6I0HQ7A68
<b>Sustainable investment objective</b>	
<b>Does this financial product have a sustainable investment objective?</b>	
<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 90%</b>  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 0%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <u>  </u> % of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective  <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b>



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

## What is the sustainable investment objective of this financial product?

This Fund has sustainable investment as its objective within the meaning of Article 9 of the Disclosure Regulation.

The sustainable investment objective of the Fund is to invest in companies that make a significant contribution to the reduction of greenhouse gas emissions and climate protection. The minimum proportion of sustainable investments is 90% of the value of the Fund's assets.

The Fund will have a minimum proportion of 90% of sustainable investments composed of investments with an environmental objective in economic activities that are classified as sustainable within the meaning of Article 2(17) of the Disclosure Regulation.

The Fund invests only in companies with environmentally and socially sustainable economic activities as defined in Article 2(17) of the Disclosure Regulation which contribute to the achievement of at least one of the following objectives:

- positively contributing to at least one of the 17 United Nations Sustainable Development Goals;
- mitigating climate change and transitioning to a low-carbon economy: The Fund is committed to CO<sub>2</sub> reduction targets. The implied temperature increase of the companies is less than 2 degrees Celsius; and/or
- positively contributing to equality and human capital by promoting greater diversity in the workforce.

The approach is entirely company-based and does not focus on individual economic activities. In the investment process, the Investment Manager's consideration of these indicators is based on a positive list of companies that have developed a strategy against the above key indicators and have a track record in addressing environmental and/or social objectives. Information from MSCI ESG Research (an independent provider of ESG data, reports and ratings based on published methodologies) for the individual key indicators is used as the basis for this positive list.

In relation to the 17 United Nations Sustainable Development Goals, revenues are considered in products and services that are consistent with the 17 United Nations Sustainable Development Goals. Sustainable impact data from MSCI ESG Research is used for this purpose. The contribution of sustainable investments is determined by a share ratio, which is the ratio of the market value in sustainable companies to the market value of all investments of the Fund. Sustainable investments include both environmental and social objectives.

### ● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The following sustainability indicators are used to measure the attainment of the sustainable investment objective of the Fund:

- The reduction of greenhouse gas emissions, measured by the greenhouse gas intensity of the Fund compared to the MSCI ACWI. The greenhouse gas intensity measures the weighted average tons of CO<sub>2</sub> equivalents emitted by the securities of the securities invested in the portfolio per EUR 1 million of sales.
- The proportion of sustainable investments in % composed of investments with an environmental or social objective in economic activities that are classified as sustainable within the meaning of Article 2(17) of the Disclosure Regulation.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Fund ensures that in the selection of sustainable investments, none of the environmental and social objectives listed in Article 2(17) of the Disclosure Regulation or of the environmental objectives included in Article 9 of Regulation (EU) 2020/852 are significantly harmed.

Significant harm exists in particular in the case of severe impacts on the adverse sustainability indicators or the breach of the minimum level of protection set out in Article 18 of Regulation (EU) 2020/852.

In addition, the Fund invests in securities of such issuers or companies that in their business activities observe the governance aspects referred to in Article 2(17) of the Disclosure Regulation. This is ensured and documented by the exclusions defined in the internationally recognised standards.

**Exclusions**

The Fund applies activity-based exclusions. Companies that engage in the following activities (beyond the specified revenue threshold) are excluded for investment by the Fund:

- generate more than 5% of their revenue from conventional weapons (Production, Downstream);
- generate more than 5% of their revenue from coal (Upstream, Production);
- generate more than 5% of their revenue from uranium mining (exclusion applies if the revenue threshold of 5% is exceeded at issuer level);
- generate more than 5% of their revenue from electricity generation based on nuclear/nuclear energy (exclusion applies if the 5% revenue threshold is exceeded at issuer level);
- generate more than 5% of their revenue from the operation of nuclear power plants and/or the manufacture of essential components for nuclear power plants (exclusion is applied if the 5% revenue threshold is exceeded at issuer level);
- generate any of their revenue from nuclear weapons (Upstream, Production, Downstream), with no minimum revenue threshold;
- generate more than 5% of their revenue from other fossil fuels (Production);
- generate more than 5% of their revenue from tobacco (Production, Downstream); and/or
- generate any of their revenue from unconventional weapons (Upstream, Production, Downstream), with no minimum revenue threshold.

In addition, the Fund applies standards-based screening and excludes companies that do not comply with the principles of the UN Global Compact, OECD Guidelines, and ILO (International Labour Organization)

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

In selecting sustainable investments for the Fund, the indicators of adverse impact on sustainability factors are used to determine significant harm. Criteria for a severe impact are defined for 33 environmental and social indicators. Investments that do not meet the Investment Manager's defined ambition levels for each of these indicators cannot be classified as sustainable investments. In the absence of relevant data, classification of an investment as a sustainable investment is not possible.

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

Investments are monitored for alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The principles are based on international standards in the areas of human rights, labour rights, the environment and corruption. If a company is found to be at fault or to have breached these standards, the company will be excluded for investment by the Fund. In the case of investments already held by the Fund, the relevant investment will be sold.



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

☒ Yes, ☐ No

the following PAIs are considered:

**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 right, anti-corruption and anti-bribery matters.

- Greenhouse gas emissions
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)
- Investments in companies without initiatives to reduce CO2 emissions
- Exposure to companies producing chemicals
- Non-recycled waste ratio
- Share of investments in companies whose operations affect threatened species
- Share of investments in investee companies without a biodiversity protection policy covering operating sites owned, leased or managed in or adjacent to a protected area or an area of high biodiversity value outside protected areas
- Investments in companies without workplace accident prevention policies
- Rate of workplace accidents
- Insufficient whistleblower protection
- Incidents of discrimination
- Lack of human rights policy
- Lack of due diligence
- Lack of processes and measures for preventing trafficking in human beings
- Operations and suppliers at significant risk for incidents of child labour
- Operations and suppliers at significant risk of incidents of forced or compulsory labour
- Number of identified cases of severe human rights issues and incidents
- Lack of anti-corruption and anti-bribery policies
- Cases of insufficient action taken to address breaches of standards of anticorruption and anti-bribery
- Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws



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

## What investment strategy does this financial product follow?

The sustainable investment objective of the Fund is make a significant contribution to the reduction of greenhouse gas emissions and climate protection, and in accordance with the stated aims of the Paris Agreement, to keep the increase in the earth's average temperature well below 2 °C, and to make efforts to limit it to 1.5 °C above pre-industrial levels as set out in the Paris Agreement. To this end, the Fund invests primarily, while maintaining an appropriate risk mix, in securities of individual issuers whose greenhouse gas emission levels correspond to the best performance of the sector or industry and whose economic activities, as defined in Article 2(17) of the Disclosure Regulation contribute to the achievement of one of the sustainable environmental or social objectives set out above.

For this purpose, the Investment Manager uses the following sustainability approaches: (i) positive selection criteria, (ii) ESG integration and (iii) engagement.

### (i) Positive selection criteria

Investments are made exclusively in securities whose issuers are classified as sustainable within the meaning of Article 2(17) of the Disclosure Regulation.

### (ii) ESG Integration

The aim of ESG integration is to improve the risk/return profile of the Fund by integrating sustainability aspects into the traditional investment analysis process. The assessment of an issuer's sustainability is carried out by the Investment Manager using published information from the issuers.

In ESG integration, environmental, social and corporate governance criteria are considered by the Investment Manager when making investment decisions. In this context, the investment universe only includes investments that do not fall under the above exclusion criteria.

All issuers of equities and/or corporate bonds are subject to sustainability analysis before their securities are purchased. Key figures on climate and other environmental concerns, negative impacts in the areas of social and employee matters, human rights and anti-corruption are all considered. The analysis covers the following areas:

- (a) involvement in controversial business practices based on over 100 internationally recognised standards, including the UN Global Compact;
- (b) sustainability risk management: in addition to ESG ratings and scores, several key performance indicators are considered, which, for example, measure the handling of employee concerns;
- (c) climate rating to measure the transition to a low-carbon economy; and
- (d) compliance of companies with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

In addition, the Investment Manager may also rely on the sustainability assessment of external providers to evaluate the above criteria. External data providers collect information from companies or issuers on how they deal with the above-mentioned sustainability issues and generally also assess these and make this information available to the Investment Manager. With regard to a violation of the ten principles of the UN Global Compact, the Investment Manager generally refers to the information in the sustainability assessments of external data providers.

### (iii) Engagement

Engagement will involve discussions regarding business-relevant ESG challenges related to the underlying companies. The Investment Manager enters into a dialogue with the businesses in which it invests and addresses relevant ESG parameters. In doing so, it also seeks to exert its influence to ensure that continuous improvements can be achieved by the companies on the relevant ESG parameters.

The Investment Manager engages with underlying companies via dialogue and voting rights. The Investment Manager has mandated Columbia Threadneedle Investments to exercise voting rights. In

the disclosures on the asset allocation the minimum environmental or social safeguards applied to investments categorized as "Not sustainable" are explained.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The sustainability indicators, as described above, for measuring the attainment of each of the sustainable investment objectives by the Fund are the binding elements of the investment strategy of the Fund.

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

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

The Fund considers good corporate governance practices including management structures, employee relations, employee remuneration and tax compliance within the investment strategy. The Fund invests exclusively in companies that demonstrate good corporate governance practices. Compliance is ensured by excluding issuers that violate the ten principles of the "United Nations Global Compact" or show a poor ESG rating of "CCC" in accordance with the ratings published by MSCI ESG Research. Directive 2013/34/EU of the European Parliament and of the Council sets out transparency obligations with regard to environmental, social and corporate governance aspects within the framework of the non-financial reporting. These companies are expected to publish a corporate governance code in accordance with national legislation, in which they disclose at least sound management structures, a proper relationship with employees, employee remuneration, tax compliance.



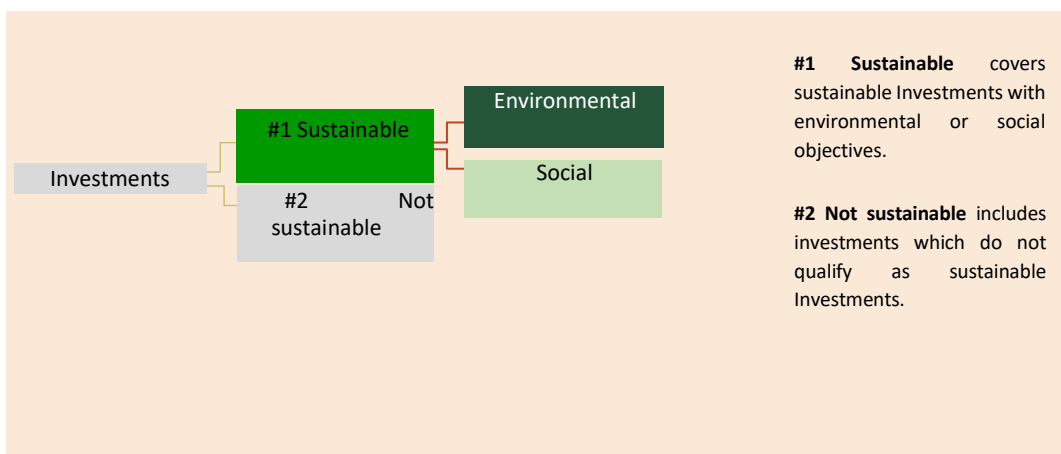
**Asset allocation** describes the share of investments in specific assets.

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 expenditures** (OpEx) reflecting the green operational activities of investee companies.

## What is the asset allocation and the minimum share of sustainable investments?

The asset allocation of the Fund and the extent to which the Fund has direct or indirect exposures in investee entities can be found in the investment limits and guidelines as set out in the Prospectus and Leaflet. The minimum proportion of the Fund's investments that will be made to achieve the sustainable investment objective amounts to 90% of the value of the Fund's assets



## How does the use of derivatives attain the sustainable investment objective?

Derivatives are used in accordance with the provisions of the requirements of the investment limits and guidelines set out in the Prospectus and Leaflet. In so far as derivatives may be acquired, these do not explicitly serve to achieve the sustainable investment objective of the Fund and will be reported under "other investments". Derivatives may only be used to offset negative market fluctuations.





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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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 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.

The minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐

Yes:

☐

In fossil gas

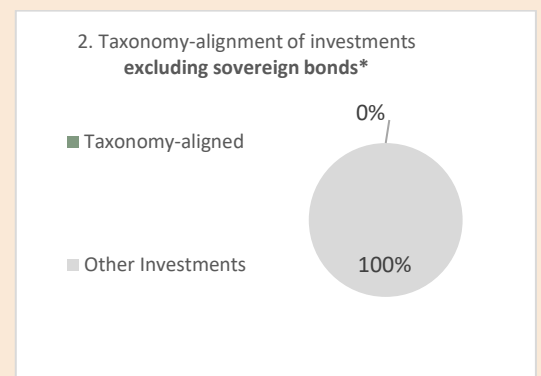
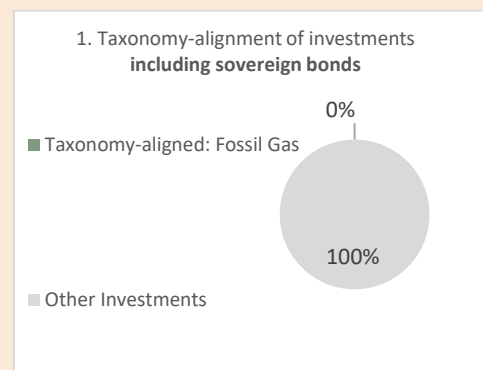
☐

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.

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

Not applicable

<sup>1</sup> 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. 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.



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



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

The minimum proportion of sustainable investments with an environmental objective is 90% of the value of the Fund's assets.



**What is the minimum share of sustainable investments with a social objective?**

The minimum proportion of sustainable investments with a social objective is 0% of the value of the Fund's assets.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Not sustainable investments include hedging and cash instruments which may be used by the Fund for liquidity and hedging purposes. For such investments, the Fund ensures that these are not used contrary to the attainment of the sustainable investment objective of the Fund. Derivatives may only be used by the Fund to offset negative market fluctuations.

For other investments that do not fall under the Fund's sustainability strategy, it is ensured that they are not used contrary to the overall sustainability strategy. Insofar as derivatives may be acquired, they may only be used to offset negative market fluctuations.



Is a specific index designated as reference benchmark to meet sustainable investment objective?

Not applicable

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

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

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



Where can I find more product-specific information online?

More product-specific information can be found on the website:

<https://fondsfinder.universal-investment.com/api/v1/IE/IE000S4KEHU3/document/SRD/en>

## **Metzler FX Protected Carry Fund JPY**

(the “Fund”)

## **METZLER UNIVERSAL TRUST**

An umbrella unit trust established pursuant to the Unit Trusts Act 1990.

(the “Trust”)

## **LEAFLET**

26 January 2024

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This Leaflet relates to Metzler FX Protected Carry Fund JPY a sub-fund of Metzler Universal Trust, and forms an integral part of the Prospectus. **This Leaflet forms part of, and should be read in conjunction with, the Prospectus dated 15 June 2023, as may be amended from time to time.** In particular, investors should read the risk factors set out in the Prospectus. The Trust is unable to provide any guarantee, assurance or warranty to investors as to the performance of any of the Funds. The names of the other Funds of Metzler Universal Trust are set out in the Prospectus and are available from the Manager, upon request.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Leaflet. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Leaflet is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus may not be distributed in the United States or to United States Persons. The distribution of this Prospectus and the offering of the Units may also be restricted in other jurisdictions.

By subscribing for and/or holding Units, investors are deemed to: (a) represent that they are not "United States Persons," or subscribing for or holding Units as nominee(s) for or on behalf of any such person(s); (b) agree and acknowledge that they may not transfer the Units or any interest therein (including by means of a swap or other derivative transaction) to a "United States Person" or make a transfer of the Units or any interest therein within the United States; and (c) represent that they have not been solicited to purchase Units or any interest therein, including by means of a swap or other derivative transaction while present in the United States or have obtained the funds to be utilised for such purchase from any "United States Person," which representations, agreements and acknowledgments will be deemed to be repeated by an investor at all times that it holds any Units or interest therein. For this purpose, "United States" means the United States, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities and "United States Person" encompasses any person that is not a "Non-United States Person" or is a "U.S. person" within the meaning of or for the purpose of: (i) Rule 4.7 of the U.S. Commodity Futures Trading Commission ("CFTC"); or (ii) the swaps provisions of the U.S. Commodity Exchange Act, as added by Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and as interpreted in accordance with the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on July 26, 2013 or any other interpretive rules or guidance issued by the CFTC or staff of the CFTC; in each case, as the same has been or may from time to time be amended or replaced. An investor must immediately notify the Manager if any such representation made or deemed to be repeated by it is incorrect or misleading in any respect, or if it has breached any such agreement and acknowledgment, identifying the relevant misrepresentation and/or breach, as applicable, and the Units affected thereby.

In accordance with Article 2, Paragraph 3, Item 2-(I) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the "FIEA"), in Japan, Units will be offered exclusively to Qualified Institutional Investors (as defined in the FIEA). Therefore, no Securities Registration Statements for Units under Article 4, Paragraph 1 of the FIEA have been, or will be, filed.

The Prospectus may be used for sales purposes only by persons who have express written authorisation from the Manager (granted directly or indirectly via authorised sales agents) to do so. Declarations or representations by third parties that are not contained in the Prospectus or in the Fund documentation have not been authorised by the Manager. The Fund documents are available to the public at the registered office of the Manager.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Dated: 26 January 2024

## DEFINITIONS

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The following definition shall apply throughout this Leaflet unless the context requires otherwise:

**“Business Day”** means any day with the exception of public holidays in Ireland, Frankfurt am Main and Japan;

**“Class A Distributing JPY”** means the class of Units in the Fund denominated in JPY, which are distributing in nature and which have been designated as Class A Units;

**“Class B Accumulating JPY”** means the class of Units in the Fund denominated in JPY, which are accumulating in nature and which have been designated as Class B Units; and

**“Dealing Day”** means each Business Day.

## INTRODUCTION

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Metzler FX Protected Carry Fund JPY (the **“Fund”**) is a sub-fund of Metzler Universal Trust, an umbrella-type unit trust authorised pursuant to the Unit Trusts Act 1990. A description of Metzler Universal Trust, which is a qualifying investor alternative investment fund, is contained in the Prospectus.

There are two Classes of Units in the Fund namely the Class A Distributing JPY Units and Class B Accumulating JPY Units.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to achieve interest income and long-term capital appreciation.

### Investment Policy

The Fund will seek to attain its investment objective by investing primarily in up to five most attractive high-yield currencies globally in order to earn a carry premium (this strategy is known as the **“FX Protected Carry Strategy”**). By implementing the FX Protected Carry Strategy, the Fund will seek to achieve reasonable and consistent performance at comparatively low volatility.

To implement the FX Protected Carry Strategy, the Fund will enter into derivative contracts, namely forward exchange transactions, in order to simultaneously take advantage of both higher interest rates and more favourable liquidity compared to physical bonds issued in high-yield markets. In doing so, the high-yielding currency is bought forward against the USD which acts as the funding currency for high-yield currencies in which the Fund will invest.

The Fund will be invested in up to five high-yielding currencies and will finance those positions by USD. The Investment Manager applies its proprietary quantitative FX overlay system to the selected high-yielding currencies. This system is a dynamic hedging strategy for foreign currency exposures, with the objective to limit currency losses while simultaneously exploiting opportunities to participate in positive exchange rate developments. The Investment Manager manages the investment ratio based on a quantitative multi-model system. All transactions are executed solely based on signals from the currency models. Applying the FX overlay system allows the Investment Manager to actively reduce

the investment ratio in high-yielding currencies in unfavourable times and to reinvest in times of an appreciating currency.

Additionally, the FX Protected Carry Strategy will have a EUR/USD component which will also be managed by the Investment Manager's FX overlay system. The notional of the EUR/USD component will match the total notional of all high-yielding currencies. While the positions in high-yielding currencies will always be a long position in the high-yielding currency against a short position in USD, the position in EUR is always a short position in EUR against a long position in USD. This allows the Investment Manager to actively change the funding currency from USD to EUR and vice versa.

The selection of the high-yielding currencies is reviewed by the Investment Manager from time to time. The review and the selection of the five most attractive currencies is a purely systematic process whereby the interest rate differential against USD and the trend characteristics of the currencies are evaluated by the Investment Manager. The Fund's investment universe will include liquid Emerging Market currencies and G10 currencies. The EUR/USD component is a fixed part of the Fund's investment strategy. The notionals of the high yielding currencies will usually be rebalanced at each roll over or if there are flows in or out of the Fund.

The notional that is invested in the five high-yielding currencies selected for investment by the Fund will be proportional to the Fund's Net Asset Value.

As the FX Protected Carry strategy is a purely derivative strategy, the liquidity within the Fund will be invested in a base portfolio which follows a buy and hold strategy in Japanese government bonds and bills, with a small proportion of the liquidity within the Fund held in cash to cover potentially negative cash flows from forward exchange contracts on roll over dates.

The Fund will also invest in securities issued, or directly and fully guaranteed, or insured by the Japanese government having maturities of no more than three years from the date of acquisition.

The Manager may, at any time and in its absolute discretion, increase the cash position of the Fund up to 100% of the Net Asset Value of the Fund where it considers this prudent or necessary due to market conditions or for any other reason it considers appropriate.

### **Sustainability Related Disclosures**

**This Fund is not classified as a product promoting environmental or social characteristics within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation") (Article 8), nor as a product with sustainable investment as its objective (Article 9).**

**The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.**

#### *Principal Adverse Impacts*

The Manager does not consider adverse impacts of investment decisions on sustainability factors in respect of the Fund. As the investment management function of the Fund has been delegated to the

Investment Manager who undertakes the investment decisions on behalf of the Fund, the Manager relies on the investment policies and processes of the Investment Manager.

*Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns*

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of the Disclosure Regulation, which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the Fund may be realized.

### **Use of Financial Derivative Instruments**

The Fund may use financial derivative instruments for efficient portfolio management or investment purposes. The financial derivative instruments employed by the Fund will be primarily used to achieve higher capital appreciation and will include currency forward contracts.

The underlying assets to which the Fund will have exposure as a result of entering into such derivative arrangements will be consistent with the investment policy of the Fund.

### **Borrowing**

The Fund will only borrow for temporary purposes in a situation where the Fund's cash account goes into overdraft or otherwise at the discretion of the Investment Manager (e.g., resulting from margin requirements or time differences in settlement).

### **Leverage**

AIFMD defines leverage as meaning any method by which the exposure of the Fund is increased whether through leverage embedded in derivative positions or borrowing of cash or securities or by



any other means. Accordingly, the Fund may utilise leverage through the use of the financial derivative instruments and the use of borrowing, as described above.

The leverage of the Fund shall be expressed as the ratio between the exposure of the Fund and its Net Asset Value. The exposure of the Fund shall be the sum of the absolute values of all positions, and shall be calculated in accordance with the gross and commitment methods, as follows:

(i) *Gross method*

With this method, exposure is calculated as the sum of the absolute values of all positions held, excluding any cash and cash equivalent positions held in the base currency of the Fund, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Derivatives} \\ + \text{Borrowings} \\ - \text{Cash \& Cash equivalents (held base currency of Fund)} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 700% of Net Asset Value (i.e., 600% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 750% of Net Asset Value (i.e., 650% in excess of Net Asset Value).

(ii) *Commitment method*

With this method, exposure is calculated as the sum of the absolute values of all positions held at any one time, including securities, borrowing, and long and short derivative positions with netting and hedging arrangements applied, as outlined in the following formula:

$$\text{Leverage} = \frac{\begin{array}{l} \text{Securities} \\ + \text{Net risk from Derivatives (after Netting / Hedging)} \\ + \text{Borrowings} \end{array}}{\text{NAV}}$$

Using this method, the average level of leverage of the Fund is not anticipated to exceed 700% of Net Asset Value (i.e., 600% in excess of Net Asset Value). Under extreme market conditions, the leverage of the Fund may increase up to a maximum of 750% of Net Asset Value (i.e., 650% in excess of Net Asset Value).

### **Change in Investment Objective or Policy**

Any change in the investment objective, or material change to the investment policy of the Fund, will be subject to the prior approval of Unitholders evidenced either by a majority vote at a meeting of Unitholders of the Fund or by the written consent of all of the Unitholders. In the event of a change in the investment objective and/or investment policy of the Fund a reasonable notification period shall be provided by the Manager on behalf of the Trust to the Unitholders to enable the Unitholders to redeem their Units prior to the implementation of the change.

## **EMERGING MARKETS' RISK FACTORS**

In addition to the Risk Factors outlined within the Prospectus, the following risk factors associated with investment in Emerging Markets may also apply.

### **A. Political Risk**

Exposure in the Emerging Markets currencies may be adversely affected by requirements for approvals, which may be delayed or denied, restrictions on investment and repatriation of investment proceeds, and changes in government policies, regulation, and taxation.

### **B. Regulation and Reporting Risks**

Government regulation and supervision of financial markets, including foreign exchange markets, stock markets, brokers and listed enterprises in certain of the Emerging Markets may not be as extensive as in more developed markets. Furthermore, accounting, auditing and financial reporting standards, practices and disclosure requirements in such countries may not be comparable to those applicable in more developed markets.

### **C. Currency Risks**

The Fund will invest primarily in high-yield currencies, which may include a variety of Emerging Markets currencies, whereas the Net Asset Value of the Fund at any time will be computed in JPY. Accordingly, the value of these investments may be affected favourably or unfavourably by currency exchange rates and exchange control regulations, although the Fund may seek to minimise exposure to currency fluctuation to the extent practicable.

### **D. Market Risks**

Trading volumes in financial markets in the Emerging Markets can be significantly lower than on the world's leading financial markets and settlement and custody practices in such markets may not be comparable to those in more developed markets, which may result in fluctuations in the price of Units in the Fund. Also, liquidity may be less than in the more developed markets, resulting in the possibility of delays in the acquisition and disposal of some investments or settlement of such transactions at unfavourable prices.

### **E. Liquidity Risks**

It is unlikely that securities and other financial markets in the Emerging Markets will, in the foreseeable future, offer the liquidity available in more developed markets. Accordingly, there may be no readily available market for the timely liquidation of investments made by the Fund.

### **F. Settlement Risks**

The Fund will be exposed to a credit risk on parties with whom it trades in the Emerging Markets. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in the Emerging Markets. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to local postal and banking systems, no guarantee can be given that all entitlements attaching to quoted and over-the

counter traded securities acquired by the Fund, including those related to dividends, can be realised.

**G. Custodial Risks**

As the Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary would have no liability. Accordingly, the Fund has agreed that it will not invest in securities issued or corporations located in other emerging countries until the Depositary is satisfied that it has sub-custodian arrangements in place in respect of such countries.

**H. Foreign Investment Risks**

While the Fund will only invest in markets which provide for the freedom of nationalisation and expropriation, such freedoms may be curtailed unexpectedly upon a change of government or when such nationalisation or expropriation is deemed to be in the public interest. The Fund will seek, whenever such freedoms are curtailed, to obtain adequate compensation.

## THE FUND

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### Base Currency

The base currency of the Fund is JPY.

### Classes of Units

Units in the Fund will be issued either as Class A Distributing JPY or Class B Accumulating JPY and will be subscribed for and redeemed in JPY.

Different characteristics may be attributed to the different Classes of Units in the Fund as further described in the section entitled "Definitions" on page 1 of this Leaflet.

### Initial Offer Period

The initial offer period for the Class A Distributing JPY Units shall be from 9a.m., 29 January 2024 to 5p.m., 26 July 2024 or such earlier or later dates or times as the Manager may in its discretion determine.

The initial offer period for the Class B Accumulating JPY Units shall be from 9a.m., 29 January 2024 to 5p.m., 26 July 2024 or such earlier or later dates or times as the Manager may in its discretion determine.

### Initial Offer Price

Units in the Fund shall be offered at a price of JPY 10,000 per Unit for each Class of Units during the initial offer period.

### ISIN/WKN

Class	ISIN	WKN
Class A Distributing JPY	IE000AJISJ07	A3ECC6
Class B Accumulating JPY	IE000N2TS5K6	A3ECC7

## SUBSCRIPTIONS, REDEMPTIONS AND TRANSFERS

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### Subscriptions

The Minimum Initial Subscription in relation to Class A Distributing JPY Units is JPY 500 million or such other amounts as may be determined by the Directors of the Manager in their absolute discretion in accordance with the requirements of the Central Bank.

The Minimum Initial Subscription in relation to Class B Accumulating JPY is JPY 500 million or such other amounts as may be determined by the Directors of the Manager in their absolute discretion in accordance with the requirements of the Central Bank.

The procedure for subscribing for Units in the Fund is set out in section 4.2 of the Prospectus.

Following the closure of the initial offer period, the Dealing Deadline for subscriptions in respect of the Fund shall be 11.00 a.m. Irish Standard Time on the Business Day which falls one Business Day prior to the relevant Dealing Day.

Notwithstanding the terms of the Prospectus, subscription monies must be received by the Registrar and Transfer Agent, for the account of the Fund within three Business Days of the relevant Dealing Deadline (or such longer period as the Manager may determine) in the case of both (a) a subscription

being made during the initial offer period for a particular Class of Units and (b) thereafter, in respect of subscriptions being made following the closure of the initial offer period.

### **Subscription Charges**

A subscription charge shall be payable to the Manager or its agent to cover distribution costs of up to 5% of the Net Asset Value of the relevant Units subscribed for by each investor will be charged on each subscription.

### **Redemptions**

The procedure for redeeming Units is set out in section 4.4 of the Prospectus. Following the closure of the initial offer period, the Dealing Deadline for redemptions in respect of the Fund shall be 11.00 a.m. Irish Standard Time on the Business Day which falls one Business Days prior to the relevant Dealing Day.

With regard to the Fund, and notwithstanding the terms of the Prospectus, in specie redemptions of the Units will not be permitted.

### **Redemption Charges**

At present no redemption charge is payable in respect of any Class of Unit in the Fund.

### **Conversion of Units**

The procedure for converting Units is set out in section 4.6 of the Prospectus.

### **Transfer Restriction of Units under the Japanese Law**

In Japan, Units will be offered exclusively to Qualified Institutional Investors in accordance with Article 2, Paragraph 3, Item 2-(I) of the FIEA. Units which have been sold to Qualified Institutional Investors may not be transferred to other than to Qualified Institutional Investors.

### **Dividend Policy**

The Accounting Date of the Trust is 31 December in each year.

#### *Class A Distributing JPY*

The Class A Distributing JPY Units shall be distributing. Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

In accordance with the provisions of section 1.7 of the Prospectus, subject to profits being available for distribution at the end of the fiscal period, dividends shall be paid in respect of Class A Distributing JPY Units and Unitholders will be notified in advance of any dividend being declared.

For the avoidance of doubt, in respect of the Class A Distributing JPY Units, dividends, when declared, will be paid within three months after the relevant Accounting Date by bank transfer to the Unitholders. It is anticipated that dividends, when declared, will generally be paid within 30 days following the relevant dividend declaration date but in any event, no later than three months following the Accounting Date (i.e. no later than 31 March in any given year).

#### *Class B Accumulating JPY*

The Directors do not anticipate paying a dividend in respect of the Class B Accumulating JPY Units. All income and profits earned by the Fund attributable to the Class B Accumulating JPY Units will accrue to the benefit of that Class of Units and will be reflected in the Net Asset Value attributable to the Units in the Fund.

Further information in relation to the dividend policy of the Fund is set out in section 1.7 of the Prospectus.

### **Investment Manager**

The Manager has appointed B.Metzler seel. Sohn & Co Aktiengesellschaft (the “**Investment Manager**”) to provide discretionary investment management services and advice in connection with the Fund, pursuant to an Investment Management Agreement between the Manager and the Investment Manager dated 26 January 2024, as amended from time to time. The Investment Management Agreement provides, *inter alia*, that:

- (i) the Investment Management Agreement is terminable on ninety days’ notice in writing by either party, or on immediate written notice upon the occurrence of certain events, including one of the parties becoming insolvent;
- (ii) the Investment Manager shall be liable to, and shall indemnify and keep indemnified, the Manager and the Fund for any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees and expenses) directly suffered or incurred by the Manager or the Fund resulting from fraud, negligence, wilful default or bad faith on the part of the Investment Manager in the performance or non-performance of its duties; and
- (iii) the Manager shall, out of the assets of the Fund, indemnify and keep indemnified and hold harmless the Investment Manager (and each of its directors, managers, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees and expenses) directly suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers, in the absence of fraud, negligence, bad faith or wilful default in the performance or non-performance by the Investment Manager of its duties.

### **Description of Investment Manager**

B.Metzler seel. Sohn & Co Aktiengesellschaft (and together with its affiliates, the “**Metzler Group**”) is a private bank based in Frankfurt am Main with its registered office at Untermainanlage 1, 60329 Frankfurt am Main, Germany, which has been owned by the founding family since its foundation in 1674. It is the oldest bank in Germany in uninterrupted family ownership. The bank offers individual capital market services for institutions and discerning private clients in four business segments: Asset Management, Capital Markets, Corporate Finance and Private Banking.

### **Management Fee**

A management fee of up to 1% per annum of the Net Asset Value of each Class of Units in the Fund is payable to the Manager.

In the event that the current management fee attributable to the Units is increased, Unitholders will be notified of such an increase. If the Manager proposes to increase the management fee beyond the

permitted maximum management fee in respect of the Units, it will be necessary to obtain Unitholder consent in advance of such a change taking place.

### **Investment Management Fee**

The Manager shall pay the annual fees and charges of the Investment Manager out of the fees payable to the Manager.

### **Performance Fee**

#### **Entitlement**

The Investment Manager is entitled to a performance related investment management fee (the “**Performance Fee**”). Such Performance Fee, also referred to as the “**Outperformance Fee**”, is payable in respect of each Performance Period (as defined below) if the performance of the relevant Class of Units of the Fund has absolutely outperformed the applicable hurdle rate for that Class as set out below, such absolute outperformance, expressed as percentage points, being the “**Outperformance**”.

The Performance Fee is payable only on the performance of the relevant Class of Units to which it relates. The payment / accrual of Performance Fees is subject to the conditions set out below.

#### **High Water Mark**

The high water mark shall be the greater of (i) the initial offer price of the relevant Class of Units; and (ii) the highest Net Asset Value per Unit of the relevant Class of Units at the end of any prior Performance Period (adjusted for the performance fee payment, if any) (the “**High Water Mark**”).

#### **Hurdle Rate**

The hurdle rate is an annual rate of 0.5% (adjusted for the actual duration of the Performance Period) (the “**Hurdle Rate**”).

#### **Performance Period**

The performance period is a period during which the performance of the relevant Class of Units (“**Class Performance**”) is measured against the Hurdle Rate. The performance period shall generally be a twelve month period ending on 31 December in each calendar year (the “**Performance Period**”). For the avoidance of doubt, a Performance Period will automatically terminate at the fiscal year end of the Fund and a new Performance Period, where applicable/if relevant, will commence at the beginning of the new fiscal year of the Fund (assuming the Performance Period is not less than 12 months). However, the Performance Period may be shorter than the fiscal year in the event of the termination of the Fund.

If the Manager changes the relevant Hurdle Rate during the fiscal year, Unitholders will be notified of any such change together with the effective date of the change.

The Net Asset Value per Unit on the second last Business Day of each Performance Period shall be deemed to be the end of that Performance Period.

The first Performance Period shall commence on the date of the initial issue of Units in each Class of Units and the initial offer price on this date shall be taken as the initial High Water Mark for this calculation.

## Outperformance calculation

The Outperformance of the relevant Class of Units is calculated as the difference between the Class Performance and the Hurdle Rate, the method of such calculation is described by the following formula:

$$\begin{aligned} \text{Absolute outperformance} = \\ (\text{Class Performance}) - (\text{Hurdle Rate}) \end{aligned}$$

## Class Performance

The Class Performance in respect of a Performance Period is the difference, expressed as a percentage, between the Net Asset Value of the relevant Class of Units of the Fund at the end of the relevant Performance Period (adjusted for the performance fee accrual and distributions, if any, so that the calculation of Class Performance is unaffected by performance fee accruals or distributions during the Performance Period), and the High Water Mark.

The Net Asset Value of the relevant Class of Units, as adjusted for Performance Fee accruals at the end of the Performance Period, is also adjusted for any net income distributed to Unitholders during the Performance Period, if any.

No Performance Fee is accrued or payable: (i) until the Net Asset Value per Unit (adjusted for Performance Fee accrual and distributions, if any) exceeds the High Water Mark and (ii) the Class Performance is in excess of the Hurdle Rate.

## Performance Fee Base

The base for the calculation of the Performance Fee payable is the arithmetic average of daily Net Asset Value of the relevant Class of Units during the relevant Performance Period as calculated by the Manager.

The Performance Fee attributable to each Class of Units will be accrued and paid in JPY.

## Participation Rate

The percentage of outperformance payable as an Outperformance Fee in respect of the relevant Class of Units is 10% of the Outperformance (the “**Participation Rate**”).

## Calculation of Performance Fee

The Performance Fee payable is determined by the following formula:

$$\text{Performance Fee} = \text{Absolute outperformance (\%)} \times \text{Participation Rate (\%)} \times \text{Performance Fee Base}$$

The Performance Fee payable is capped at a maximum fee payable of 3% of the Performance Fee Base for the relevant Class of Units.

The Performance Fee is payable in arrears in respect of each Performance Period within six (6) months of the end of the Performance Period. The calculation of the Performance Fee will be verified by the Depositary or by a competent person appointed by the Manager and approved for that purpose by the Depositary.



No Performance Fee is accrued or payable until the Net Asset Value per Unit of the relevant Class of Units (adjusted for Performance Fee accrual and distributions, if any) exceeds the High Water Mark.

### **Risk Warning**

Investors should note that the Performance Fee payable to the Investment Manager is based on net realised and net unrealised gains and losses calculated in respect of the Performance Period. As a result such fees may be paid by the Fund on unrealised gains which may subsequently never be realised.

### **Investment Research Charge**

The Fund shall not be charged for investment research.

### **Establishment Expenses and Operating Expenses**

The expenses incurred in the formation of the Fund and the initial offering of Units in the Fund (including marketing, regulatory, legal, accounting and printing costs) are estimated to amount to EUR 52,000. These expenses will be amortised over a period of five years from the initial launch date of the Fund. All normal operating expenses including (but not limited to) audit fees, fees for taxation advice, legal fees, registration fees, taxation costs, costs associated with registering and distributing the Fund in Japan, administration costs, charges incurred on the acquisition and realisation of investments, transaction costs and expenses (including collateral management fees), and the costs of publication and distribution of prospectuses, interim and annual reports and of the calculation and publication of Unit prices will also be payable out of the Fund.

### **Risk Factors**

In addition to the Risk Factors outlined below, investors should be aware of the Risk Factors detailed in section 1.9 of the Prospectus.

#### *Sustainability Risks*

Information in relation to sustainability risks and the potential impact of sustainability risks on the Fund may be found above in the section entitled *"Integration of sustainability risks in the investment decision-making process and likely impacts of sustainability risks on returns"*.

### **Taxation**

Investors should refer the section of the Prospectus entitled *"Taxation"* for a summary of the main tax provisions.

### **Reports**

A copy of the annual and half yearly reports of the Trust shall be made available for inspection by the Manager and are supplied to each Unitholder upon request, free of charge.

### **Exemption from Investment Reports under the Japanese Law**

No Investment Reports (*"un'yo-hokoku-sho"* in Japanese) within the meaning of Articles 14 and 59 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) of Japan will be prepared or issued.