

The Directors of the ICAV whose names appear under the section entitled "**Directory**" in the Prospectus for the ICAV dated 17 October 2023, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## **TWENTYFOUR ICAV**

### **A QUALIFYING INVESTOR ALTERNATIVE INVESTMENT FUND**

An umbrella Irish collective asset-management vehicle with segregated liability between sub-funds formed in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the "**Act**") and authorised by the Central Bank as a qualifying investor alternative investment fund

## **SUPPLEMENT**

### **TWENTYFOUR ENHANCED INCOME ABS FUND**

### **WAYSTONE MANAGEMENT COMPANY (IE) LIMITED - AIFM**

Dated 20 May 2025

This Supplement contains information relating specifically to TwentyFour Enhanced Income ABS Fund (the "**Sub-Fund**"), an open-ended sub-fund of TwentyFour ICAV (the "**ICAV**"), an umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a Qualifying Investor AIF pursuant to the ICAV Act and chapter 2 of the AIF Rulebook. Additional sub-funds of the ICAV may be added in the future with the prior approval of the Central Bank. In the event additional sub-funds are added, a full list of Sub-Funds will be maintained by the ICAV and available to investors on request.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 17 October 2023 (the "Prospectus").**

**Investors should read and consider the section of the Prospectus (entitled "Risk Factors") before investing in the Sub-Fund.**

## 1. Interpretation

In this Supplement, the following terms shall have the following meanings:

**"Base Currency"** means GBP or pounds Sterling;

**"Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in Dublin, Ireland, London, the United Kingdom or such other day as the Directors, may from time to time determine;

**"Dealing Day"** means the last Business Day of each week, the last Business Day of the month, and at any other time in the discretion of the Directors provided that there shall be at least one Dealing Day per quarter;

**"ESG"** environmental, social and governance;

**"SFDR"** the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended and as may be further amended from time to time;

**"Sustainability Factors"** means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

**"Sustainable Investment"** means, as defined in SFDR, an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices;

**"Sustainability Risk"** an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment;

**"Taxonomy Regulation"** means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time.

All other defined terms that are used but not defined in this Supplement shall have the same meaning as in the Prospectus.

All references in the investment policy detailed below to investment or exposure shall include both direct and indirect investment, unless otherwise stated.

## 2. The Sub-Fund

The Sub-Fund is a sub-fund of the ICAV. The ICAV is an umbrella Irish collective asset-management vehicle with segregated liability between sub-funds authorised by the Central Bank pursuant to the ICAV Act.

The assets of the Sub-Fund will be held in a separate portfolio maintained by the ICAV in accordance with the Instrument of Incorporation and shall belong exclusively to the Sub-Fund and shall not be used to discharge liabilities or claims against any other sub-fund of the ICAV in accordance with the Instrument of Incorporation.

## 3. Investment Objective

The investment objective of the Sub-Fund is to seek to achieve income and long-term capital growth.

## 4. Investment Policies and Strategy

In pursuit of its investment objective, the Sub-Fund will seek to achieve a return for Shareholders through investment in a portfolio of debt and debt related securities. The portfolio will predominantly consist of UK and European asset backed securities ("**ABS**"), including but not limited to, mortgage backed securities ("**MBS**") and collateralised loan obligations ("**CLOs**"). Up to 20% of the portfolio may be allocated to ABS securities outside of the UK and EU.

ABS are debt securities where the payment of interest and principal depends on the cash flow generated by a collection of assets. These assets are generally secured debt obligations and include residential

mortgages, commercial real estate mortgages, secured small business loans and other types. Unsecured debt obligations like credit card receivables and consumer loans can also form the collateral pool for ABS deals. ABS are normally issued in a number of different classes with different characteristics such as credit quality and term. The ABS will be unleveraged and will not embed a derivative element.

A portion of the Sub-Fund may be held in cash or cash equivalents, such as treasury bills and government bonds, in order to further enhance the Sub-Fund's liquidity. From time to time, it is possible that a significant portion of the portfolio may be invested in securities from a particular geographical region.

Debt and debt related securities may be fixed, floating or variable rate and may be issued or guaranteed by any sovereign government or their agencies, local authority, supranational or public international bodies, banks, corporates or other commercial issuers.

The Sub-Fund's assets will be primarily held as a combination of cash or cash equivalents together with investment grade quality debt or debt related securities. The Investment Manager considers investment grade quality securities to be those that have a credit rating of at least BBB- at the date of purchase as rated by a recognised rating agency such as Standard and Poor's or, if unrated, deemed to be of equivalent quality in the opinion of the Investment Manager. The Sub-Fund may also allocate up to 30% of the Net Asset Value of the Sub-Fund to non-investment grade assets.

The Sub-Fund may also invest in private placement funding trades which entail the acquisition of unrated debt securities issued by financial institutions and/or special purpose vehicles, which are not publicly traded and are less liquid. The securities will always be collateralised by a portfolio of assets, including but not limited to mortgage loans. While not rated by rating agencies, the securities will be deemed to be of equivalent quality as the debt securities detailed above in the opinion of the Investment Manager.

These types of securities and obligations may be denominated in any currency (although they will predominantly be denominated in Sterling, Euros or US Dollars) and may, or may not, be listed on recognised exchanges and markets.

### **Promotion of Environmental and Social Characteristics**

The Sub-Fund promotes environmental and social characteristics as part of its overall strategy in accordance with Article 8 of the SFDR, as detailed below (an "**Article 8 Fund**"). Although not having Sustainable Investment as its objective (per Article 9 of the SFDR), the Sub-Fund will invest in Sustainable Investments that align with the ESG Framework as detailed below.

#### The ESG Framework

The Sub-Fund applies the following ESG Framework:

(i) Exclusions

The Sub-Fund excludes securities of corporate issuers (from the investment universe that consists of all companies that issue debt securities to the capital markets as well as developed market government bond issues) in accordance with Investment Manager's exclusion framework:

#### **Weapons**

- unconventional / controversial weapons (0%);
- conventional weapons (5%);

#### **Energy - Extraction**

- Thermal Coal (5%)
- Oil sands & Arctic drilling (production 5%; distribution 10%)
- Oil (production 5%)
- Gas (production 5%)

#### **Carbon Intensive Power Generation**

- Thermal coal (5%);
- Other sources of high CO<sub>2</sub>e intensity power generation (i.e. with a GHG intensity of more than 100g CO<sub>2</sub> e/kWh) (50%);

#### **Other**

- tobacco (production) (5%);
- adult entertainment (5%);
- alcohol (5%);
- gambling (5%); and
- animal testing (for cosmetic purposes) (5%).

The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities.

(ii) Screening

The Sub-Fund will seek to invest in securities of corporate issuers that pass the minimum combined E&S score (minimum is set at 25, on a scale from 0 to 100, with 0 being the worst and 100 being the best score) and a minimum combined ESG score (minimum is set at 34, on a scale from 0 to 100, with 0 being the worst and 100 being the best score), which is based on the Investment Manager's proprietary methodology. These scores are the result of a combination of qualitative and quantitative analysis undertaken by the Investment Manager on each eligible security. The Investment Manager's proprietary relative value system "Observatory" combines third party data covering over 400 ESG metrics in conjunction with the portfolio managers' overall "relative value" decision making. The quantitative scoring process varies the weighting of each measure across industries as the importance of ESG factors differs across industries. The scores are based on relative performance on environmental and social factors within the issuer's industry, making issuers comparable against peers.

(iii) Sustainable Investment Criteria

The eligible universe of the Sub-Fund will be assessed by the Investment Manager to evaluate, identify and invest at least 15% of the Sub-Fund's Net Asset Value in securities of issuers that contribute towards (a) the environmental objectives of (i) climate change mitigation and/or (ii) climate change adaptation; or (b) the social objective of empowerment.

In order to qualify as a 'Sustainable Investment' eligible for investment by the Sub-Fund, the issuer must:

- follow good governance practices;
- not be classified as "significant harm"; and
- be classified as "in transition" (which includes a commitment to transition) or "positive contribution".

In respect of the environmental objectives "climate change mitigation" and "climate change adaptation", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

- The issuer has aligned or committed to align to the Science Based Targets initiative ("SBTi"); and/or
- The issuer is achieving net zero, or is aligned to a net zero pathway, or is aligning towards a net zero pathway or is committed to aligning; and/or
- The issuer's weighted average carbon intensity must be at least 30% lower than the average issuer's holdings in the representative sector; and/or
- The issuer has demonstrable momentum and transition criteria; and/or
- The proceeds are used to finance green projects, which in relation to asset backed securities means the pool of mortgages/loans are considered to have a positive environmental profile (example: loans for houses with good energy rating, auto loans composed exclusively of hybrid/EV vehicles or fleet CO2 emissions are meeting CO2 emissions targets under applicable EU regulation or other green projects that meet recognised standards for environmental performance).

Where an issuer is not currently aligned with net zero but, in the view of the Investment Manager, will be moving towards commitment and/or alignment, this will be assessed on a timetable.

In respect of the social objective of "empowerment", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

- The issuer is either already aligned or has committed to align with SDG 10 (reduced inequalities) and it follows a responsible lending policy in respect to the mortgage portfolio; and/or
- The issuer is either already aligned or has committed to align with SDG 11 (sustainable cities and communities) and it follows a responsible lending policy in respect to the mortgage portfolio.

As an issuer can contribute to both an environmental objective (climate change mitigation, climate change adaptation) and a social objective (empowerment) at the same time, an investment can be counted as sustainable investment with an environmental objective and sustainable investment with a social objective. Accordingly, no minimum percentage for sustainable investments with a social objective has been defined.

## *Controversies and Momentum*

The Investment Manager also incorporates an assessment of issuer controversies and momentum. Momentum is assessed based on a company's plan and demonstrable execution towards improving its ESG credentials. The Investment Manager actively monitors controversies as an indicator of the risk management and ethical practices of a company when analysing ESG performance.

In addition to the scoring of securities, the portfolio management system enables the Investment Manager to understand positive or negative changes and to assess individual issues on a relative value basis, given ESG factors – in this sense, the ESG assessment does not solely dictate "buy or sell" recommendations, but it is part of an overall assessment of the validity of an investment decision.

The Investment Manager has established a monitoring process to track incidents or on-going situations in which an issuer's activities may have adverse effects on ESG factors.

Further information on the model and the ESG approach can be found at <https://www.twentyfouram.com/responsible-investment>.

The Sub-Fund does not have a benchmark index.

### **Other Investments**

The Sub-Fund will also use derivatives (including but not limited to credit derivatives (such as credit default swaps/collateralised debt obligations/total return swaps/credit default swap options), interest rate swaps, options and warrants), to either optimize exposures or reduce them in line with the Investment Manager's market viewpoint, thereby giving the Sub-Fund the potential opportunity to perform through different market environments. The Sub-Fund may also employ synthetic short positions both for hedging purposes and to take account of deterioration either in the market generally or with respect to specific issuers. The Sub-Fund may also hedge some or all of its exposure in the foreign exchange markets.

The Sub-Fund may invest up to 10% of its Net Asset Value in collective investment schemes (CIS) where such CIS are consistent with the investment objective above. Such CIS may be regulated or unregulated and may be leveraged.

The Sub-Fund may invest in a broad range of liquid and near cash assets which may be held 1) to provide liquidity, 2) to cover for exposures generated through the use of derivatives and/or 3) for investment purposes. Such liquid and near cash assets include (but are not limited to) securities, instruments and obligations issued or guaranteed by the UK government or other sovereign governments or their agencies and securities, instruments and obligations issued by supranational or public international bodies, banks, corporates or other commercial issuers. These types of securities, instruments and obligations include government bonds, T-Bills, sovereign bonds, supranational bonds, certificates of deposit, short and medium term obligation and commercial paper. They may be issued by both UK and non-UK issuers and may be fixed rate, floating rate and/or index-linked. Investments may be made on recognised exchanges and markets.

### **Hedging**

Whilst the Sub-Fund's Base Currency is Sterling, the Sub-Fund may invest in non-Sterling denominated assets that it will seek to hedge back into Sterling. The Investment Manager will manage the currency hedging strategy within pre-determined tolerance thresholds that shall be determined at the discretion of the Investment Manager and may be amended from time to time. No assurance can be given that such currency hedging will be successful.

For such purposes, the Sub-Fund may enter into forward foreign exchange contracts. A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. Forward foreign exchange contracts may be used to hedge, at the discretion of the Investment Manager, currency exposure of the assets held by the Sub-Fund back to the Base Currency. They may also be used to change the currency compositions of all or part of the Sub-Fund without necessarily hedging back to the Base Currency.

Currency hedging may also be utilised to hedge the currency exposure of Share classes denominated in currencies other than the Base Currency of the Sub-Fund against exchange rate fluctuation risk between the dominated currency and the Base Currency. The Sub-Fund will incur transaction costs in respect of

entering into any such currency hedging. Any costs and gains/losses of the hedging transactions will accrue solely to the relevant Share class.

## 5. Investment Restrictions

The general investment restrictions as set out under the heading "**Investment Restrictions**" in the Prospectus will apply to the Sub-Fund.

Notwithstanding the above, the Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value held in the issuing bodies in each of which it invests more than 5% is less than 40%.

## 6. Sustainable Finance Disclosures

The European Union has introduced a series of legal measures (the primary one being SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage. This section of the Supplement has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR.

**As noted above, the Sub-Fund has been categorised as an Article 8 Fund. Please refer to the Annex which has been prepared for the purposes of meeting the specific financial product level disclosure requirements contained in SFDR and those prescribed under the Taxonomy Regulation.**

The Investment Manager considers that the Sub-Fund is managed responsibly and seeks to evaluate and integrate Sustainability Risks in the investment process. The Investment Manager's integration of Sustainability Risks in the investment decision-making process for the Sub-Fund is reflected in its responsible investment policy. The Sub-Fund has recourse to both internal and external ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on the responsible investment policy, and how the Sub-Fund implements Sustainability Risks may be obtained from <https://www.twentyfouram.com/responsible-investment>.

In applying the investment management processes detailed under "Promotion of Environmental and Social Characteristics" above, the Investment Manager may deliberately forego opportunities for the Sub-Fund to gain exposure to certain companies, industries, sectors or countries and it may choose to sell a security when it might otherwise be disadvantageous to do so. Accordingly, as the universe of investments for the Sub-Funds is smaller than that of other funds, the Investment Manager has determined that the Sub-Fund may underperform the market as a whole if such investments underperform the market, which may negatively impact on returns.

## 7. Risk Factors

Investors should read the "**Risk Factors**" section of the Prospectus before investing in the Sub-Fund. The risks described in the Prospectus and this Supplement should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Sub-Fund. Potential investors should be aware that an investment in the Sub-Fund may be exposed to other risks from time to time.

### Debt Securities

Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

### ABS Risk

Each ABS is typically backed by a pool of assets representing the obligations of a number of different borrowers or debtors (such as mortgage or credit card borrowers for example). In some cases however, the security may be backed by a single asset, for example a mortgage relating to a specific commercial property. The value of an ABS can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security; (iii) changes in the market's perception of

the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; and/or (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntary or due to arrears or foreclosures).

At times of rapid changes in market conditions it may be difficult to value certain ABS and values may fluctuate considerably, with market prices quickly becoming out of date and not reflecting the value which would be realised on a sale of the relevant ABS in such market conditions. The value of the Sub-Fund's ABS will be determined on a marked to market basis and, accordingly, falls in the market price of ABS will result in a corresponding fall in the Net Asset Value of the Sub-Fund and the Shares.

ABS that are not backed by mortgages present certain risks that are not presented by mortgage-backed securities such as securities backed by assets such as residential mortgages and commercial mortgages. Primarily, these securities may not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. The risk of investing in these types of ABS is ultimately dependent upon payment of the underlying debt by the debtor.

The investment characteristics of ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, very often monthly or quarterly, and that principal may be prepaid at any time because the underlying loans are often capable of being prepaid at any time.

Investments in subordinated ABS involve greater credit risk of default than the more senior class(es) of the issue or series.

### **Liquidity Risk**

Not all securities or instruments invested in by the Sub-Fund will be listed or rated and consequently liquidity may be low.

Liquidity risk is the risk that an investment in the portfolio cannot be sold, liquidated or closed at limited cost over an adequately short time frame and thus the ability of the Sub-Fund to repurchase or redeem its Shares at the request of any Shareholder is thereby compromised. Under normal market conditions the Investment Manager will aim to manage the liquidity of the invested pool of assets in line with overall investor flows taking account of normal trading volumes and historical investor activity. However, there will be times (either as a result of changes in market activity or outsized redemption requests) that a misalignment may arise resulting in: increased investment liquidation costs or longer liquidation timeframes. Meeting such redemption requests could require the Sub-Fund to sell securities at reduced prices or under unfavourable conditions. As a result, the Sub-Fund may suffer losses and the Net Asset Value of the Sub-Fund may be adversely affected. It may also be the case that other market participants may be attempting to liquidate fixed income holdings at the same time as the Sub-Fund, causing increased supply in the market and contributing to liquidity risk and downward pricing pressure

### **FX Transactions, Currency Risk and Currency Exposure**

The Sub-Fund's investments may be denominated in various currencies. However, the Sub-Fund will value its investments in its Base Currency. Prospective investors whose assets and liabilities are predominantly in currencies, other than the Base Currency, should take into account the potential risk of loss arising from fluctuations in value between the currency of investment and such other currencies. A change in the value of such foreign currencies against the Base Currency will result in a corresponding change in the Base Currency value of the Sub-Fund's assets denominated in those currencies. Foreign currency exchange rates are determined by forces of supply and demand in foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Foreign currency exchange rates may also be affected by government policies or intervention in the foreign exchange markets, and certain currencies may be affirmatively supported relative to Sterling by their or other governments. Changes in government policy, including a cessation of currency support intervention, may result in abrupt changes in the valuation of such currencies.

### **Sustainable Finance Disclosures Risks**

*SFDR - Legal risk*

The series of legal measures (including SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU sustainable finance action plan) is being introduced in the European Union on a phased basis and some elements (for example supporting regulatory technical standards) have been subject to implementation delays.

The ICAV seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The ICAV may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Sub-Fund and its returns.

*ESG Data reliance*

The scope of SFDR is extremely broad, covering a very wide range of financial products and financial market participants. It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Supplement may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available.

*Relative performance*

The Sub-Fund, as an Article 8 Fund, may underperform or perform differently relative to other comparable funds that do not promote environmental and/or social characteristics.

**8. Borrowing and Leverage**

The Sub-Fund may be leveraged through its investment in instruments, securities and obligations that embed derivatives or are inherently leveraged. The level of leverage may vary throughout the life of the Sub-Fund.

Pursuant to the AIFMD Legislation, the leverage of the Sub-Fund is calculated using the commitment method and the gross notional method. The commitment method requires each derivative position to be converted into the market value of an equivalent position in the underlying asset and takes into account netting and hedging and other arrangements which affect the exposure of the Sub-Fund. The gross notional method converts derivative positions into an equivalent position in the underlying assets. In the view of the AIFM and the Investment Manager, the leverage of the Sub-Fund calculated using the commitment method is a more appropriate reflection of the economic risk of the Sub-Fund than the gross notional method which does not provide for the closing out or netting of positions.

The maximum intended level of leverage, calculated using the commitment method as required pursuant to the AIFMD Legislation, will be 200% of the Net Asset Value of the Sub-Fund and using the gross notional method will be 500% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may also on a temporary basis engage in borrowing and enter into credit facilities or overdraft arrangements. Any such borrowing or credit facility shall be limited to 10% of its Net Asset Value and shall be for short-term use only.

**9. Subscriptions and Redemptions**

<b>Dealing Deadline</b>	<p>16:00 GMT five (5) Business Days prior to the relevant Subscription/Redemption Day or such other time for the relevant Dealing Day as may be determined by the Directors in consultation with the AIFM and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.</p> <p>Applications received after the Dealing Deadline shall be deemed to have been received by the next Dealing Deadline, save in circumstances where the Directors (or their duly appointed delegate) may in their</p>
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	discretion determine, and provided the applications are received before the Valuation Point for the relevant Dealing Day.
<b>Initial Issue Price (per Share with respect to the applicable Class denominated in the specified currency)</b>	100
<b>Initial Offer Period / Offer Period for Class A Accumulation EUR Shares, Class A Income EUR Shares, Class A Income CHF Shares, Class A Accumulation USD and Class A Income USD</b>	<p>The Initial Offer Period will run from 9:00 GMT on 21 May 2025 to 17:00 GMT on 19 November 2025 (or such shorter or longer period as the Directors may determine in accordance with the requirements of the Central Bank).</p> <p>After the Initial Offer Period, each Share Class will be available at the Net Asset Value per Share of the Sub-Fund and continuously open for subscriptions.</p>
<b>Redemption Day</b>	Each Dealing Day.
<b>Settlement Date</b>	<p>In the case of subscriptions, cleared funds must be received and accepted by the Administrator by 17:00 (GMT) within three (3) Business Days immediately following the relevant Dealing Day. Where cleared funds are received in advance of the relevant Dealing Day and due to prevailing market conditions, negative interest charges accrue, these may be passed onto the investor.</p> <p>In the case of redemptions, proceeds will usually be paid by electronic transfer to a specified account (<i>in the absence of any other specific instruction</i>) at the Shareholder's risk and expense within ten (10) Business Days following the Dealing Day and otherwise in certain circumstances (for example where there is a delay in settlement of the underlying investment) on such later date as the Directors may determine, provided payment will be no later than ninety (90) calendar days following the Dealing Day after the receipt of the relevant duly signed repurchase documentation.</p>
<b>Subscription Day</b>	Each Dealing Day.
<b>Valuation Point</b>	The relevant market close upon which the Sub-Fund's assets are traded or valued on the last Business Day of the week, the last Business Day of the month and/or such other time as may be determined by the Directors (or their duly appointed delegate) from time to time and notified in advance to all Shareholders provided it is after, or the same time as, the Dealing Deadline for the relevant Dealing Day.

No Subscription Charge or Redemption Charge will be payable in respect of any Class of Shares in the Sub-Fund.

Shares in the classes listed in the table below are available for issue in the Sub-Fund. Shares may be issued as Income and Accumulation Shares, as indicated below.

<b>Share Class</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Additional Subscription</b>	<b>Minimum Holding</b>
Class A Accumulation GBP	£50,000,000	£100,000	£100,000

Class A Income GBP	£50,000,000	£100,000	£100,000
Class A Accumulation CHF*	CHF50,000,000	CHF100,000	CHF100,000
Class A Income CHF*	CHF50,000,000	CHF100,000	CHF100,000
Class A Accumulation EUR*	€50,000,000	€100,000	€100,000
Class A Income EUR*	€50,000,000	€100,000	€100,000
Class A Accumulation USD*	\$50,000,000	\$100,000	\$100,000
Class A Income USD*	\$50,000,000	\$100,000	\$100,000

*\*Share classes not denominated in the Base Currency will have currency hedging exposure. The performance of such Share class may differ from that of the Base Currency Share classes due to currency hedging and currency hedging costs (as further disclosed in the section entitled "**Hedged Classes**" in the Prospectus).*

The Directors may for each relevant class of Shares waive such minimum initial subscription, minimum additional subscription and minimum holding amounts in their absolute discretion provided that the minimum subscription amount for Qualifying Investors must be at least €100,000 (or its equivalent) in accordance with the requirements of the Central Bank.

The Directors may close some or all of the Share classes in the Sub-Fund to subscriptions from existing and/or new Shareholders if the assets attributable to the Sub-Fund are at a level, above which, as determined by the Directors, it is not in the best interests of shareholders to accept further subscriptions – for instance where the size of the Sub-Fund may constrain the ability of the Investment Manager to meet the investment objective.

The Directors may subsequently re-open some or all of the Share classes in the Sub-Fund to further subscriptions from existing and/or new Shareholders at their discretion and the process of closing and potentially, re-opening the Share classes may be repeated thereafter as the Directors may determine from time to time.

Shareholders may ascertain the closed or open status of the Share classes and if those Share classes are open to existing and/or new Shareholders by contacting the Administrator. Closing the Share classes to new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders.

## **10. Dividend Policy**

Shares will be offered as accumulation Shares ("**Accumulation Shares**") and income Shares ("**Income Shares**").

The Director intends to distribute an amount approximately equal to the value of the Sub-Fund's net income arising each quarter in respect of Income Shares to the holders of Income Shares.

Holders of Accumulation Shares do not receive payment of income. Any income arising in respect of an Accumulation Share is automatically accumulated and added to the assets of the Sub-Fund and is reflected in the price of each Accumulation Share.

In the absence of unforeseen circumstances, distributions to Shareholders of Income Shares will be payable quarterly by electronic transfer to the account in the name of the Shareholder. It is anticipated that any such dividends will ordinarily be calculated for the period ending on the last Business Day in May, August, November and February for the preceding financial period and, in such circumstances, are expected to be paid by telegraphic transfer on the last Business Day of the month following the month in which such dividends were calculated at the risk and expense of the holders of the Income Shares.

The Directors, at such times as they think fit, may declare dividends on any class of Shares out of the capital of the Sub-Fund attributable to such Shares. Where dividends are paid out of the capital of the Sub-Fund, investors may not receive back the full amount invested.

## 11. Fees and Expenses

The following fees and expenses (denoted as percentages of Net Asset Value) will be incurred by the ICAV on behalf of the Sub-Fund and will affect the Net Asset Value of the relevant Share Class of the Sub-Fund.

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

Annual AIFM Fee	up to 0.0175%
Administrator Fee	up to 0.03%
Depositary Fee	up to 0.02%
Investment Management Fee	0.45%

### *Administrator Fees*

The Administrator shall be entitled to receive out of the assets of the Sub-Fund, an annual fee equal to a percentage of the Net Asset Value of the relevant Class (at a rate specified in the table above). Such fees shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

The Administrator shall also be entitled to receive transaction fees, shareholder servicing fees and tax reporting fees out of the assets of the Sub-Fund and may charge a separate fee at normal commercial rates for the preparation of financial statements.

### *Annual AIFM Fee*

Subject to the Minimum AIFM Fee (as defined in the Prospectus), the AIFM shall be entitled to receive out of the assets of the Sub-Fund, an annual fee equal to a percentage of the Net Asset Value of the relevant Class (at a rate specified in the table above). Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

### *Investment Management Fee*

The annual investment management charge attributable to a class of Shares is payable to the Investment Manager and will accrue and be calculated on each Dealing Day (and on any other day on which a Valuation Point occurs) and be payable monthly in arrears.

### *Depositary Fees*

The Depositary shall be entitled to receive out of the assets of the Sub-Fund, an annual fee, accrued and at each Valuation Point payable monthly in arrears, based on the Net Asset Value, of up to 0.02% together with value added tax (if any) subject to a minimum annual fee of €40,000.

The Depositary is also entitled to be reimbursed by the ICAV for all reasonable disbursements and out-of-pocket expenses. In addition, the Depositary will be reimbursed any sub-custodial fees and expenses which will be charged at normal commercial rates.

## **Other Fees and Expenses**

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

### *Anti-Dilution Levy*

The Directors reserve the right to impose an Anti-Dilution Levy in the case of net subscriptions and/or net repurchases on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/repurchase calculated for the purposes of determining a subscription price or repurchase price to cover dealing costs and to preserve value of the underlying assets of the Sub-Fund where they consider such a provision to be in the best interests of a Sub-Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests and deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Sub-Fund.

### *Establishment Expenses*

All fees and expenses relating to the establishment and organisation of the Sub-Fund as detailed in the section of the Prospectus entitled "**Establishment Expenses**" shall be borne by the ICAV and amortised in accordance with the provisions of the Prospectus.

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

Product name: TwentyFour Enhanced Income ABS Fund  
 Legal entity identifier: 635400W1QEIQQA1SM15

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

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 15 % 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

The TwentyFour Enhanced Income ABS Fund (the "Sub-Fund") has the following environmental and/or social characteristics:

- The Sub-Fund promotes minimum environmental and/or social standards and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and/or social challenges. Issuers will be screened based on the Investment Manager's view of appropriate ethical and sustainability principles, by following integration and exclusions approaches by investing in debt securities of companies with excellent ESG ratings. Issuers must have **an ESG rating above a minimum threshold** based on the Investment Manager's proprietary scoring model (**screening**).
- The Sub-Fund applies certain exclusion criteria (**exclusions**) with regards to products and activities related to **unconventional / conventional / controversial weapons, carbon intensive operations, tobacco (production), adult entertainment, alcohol, gambling and animal testing (for cosmetic purposes)**.
- Additionally, the Sub-Fund invests at least 15% of its net assets in sustainable investment by investing in securities of issuers that contribute to either an environmental objective (climate change mitigation,

climate change adaptation) or a social objective (empowerment) based on the Investment Manager's assessment.

- The Sub-Fund has not designated a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

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

- Percentage of investments in securities of corporate issuers that derive a material part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and /or activities are indicated under the section below "What investment strategy does this financial product follow?")
- Percentage of investments in securities of corporate issuers that pass the minimum combined E&S score (set at 25 out of 100) and the minimum ESG score (set at 34 out of 100) as further detailed in the section below "What investment strategy does this financial product follow?"
- Percentage of sustainable investments by investing in securities of corporate issuers that contribute to either an environmental objective (climate change mitigation, climate change adaptation) or a social objective (empowerment) as further detailed in the section below "What investment strategy does this financial product follow?"

### **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?**

The objective of the sustainable investments that the Sub-Fund intends to invest in are securities of issuers that contribute to either an environmental objective (climate change mitigation, climate change adaptation) or a social objective (empowerment).

In order to qualify as sustainable investment, and apart from following good governance, the investment must:

- not be classified as "significant harm";
- be classified as "in transition" (which includes a commitment to transition) or "positive contribution".

This evaluation will be conducted by the Investment Manager. As an issuer can contribute to an environmental (climate change mitigation, climate change adaptation) or a social objective (empowerment) objective at the same time, an investment can be counted as a sustainable investment with an environmental objective and a sustainable investment with a social objective. The securities that will be considered eligible for sustainable investment are securities of corporate issuers and asset backed securities ("ABS"). For ABS, the assessment will be based on the sponsor of the ABS or on the collateral backing the ABS.

### **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?**

In order to ensure that the Sustainable Investments that the Sub-Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective, the Investment Manager takes into account all the mandatory indicators for adverse impacts applicable to the asset class and ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research, data sources including ESG data providers, news alerts and the issuers themselves.

The Investment Manager considers and evaluates a range of principle adverse impact indicators (as detailed below) but the availability of data on some indicators is limited due to a lack of reporting of metrics by investee companies. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies.

**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.

- Total GHG emissions (Scope 1 and 2)
- Exposure to fossil fuels through real estate assets
- Exposure to energy-inefficient real estate assets
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms include: engagement, exclusion and divestment.

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

The Investment Manager has a controversy monitoring process in place, that amongst other factors, takes into account the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This process is based on third party data and where required is complemented by the Investment Manager’s own ESG research capabilities.

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



Yes

The Investment Manager considers certain principal adverse impacts on sustainability factors in the following areas: **Greenhouse Gas Emissions, Social and Employee matters, and investments in real**

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*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.*

**estate assets.**

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an issuer as critical in one of the considered areas, and where no signs of improvement have been observed, an action must be taken. Action mechanisms may include: exclusion/divestment and active ownership activities.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

No

**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 Sub-Fund applies an investment strategy that is described in the Supplement. As part of this strategy, the Sub-Fund promotes certain environmental and/or social characteristics.

### The ESG Framework

The Sub-Fund applies the following ESG Framework:

#### **Exclusions**

The Sub-Fund excludes securities of corporate issuers (from the investment universe that consists of all companies that issue debt securities to the capital markets as well as developed market government bond issues) in accordance with Investment Manager's exclusion framework:

#### **Weapons**

- unconventional / controversial weapons (0%);
- conventional weapons (5%);

#### **Energy - Extraction**

- Thermal Coal (5%)
- Oil sands & Arctic drilling (production 5%; distribution 10%)
- Oil (production 5%)
- Gas (production 5%)

#### **Carbon Intensive Power Generation**

- Thermal coal (5%);
- Other sources of high CO<sub>2</sub>e intensity power generation (i.e. with a GHG intensity of more than 100g CO<sub>2</sub>e/kWh) (50%);

#### **Other**

- tobacco (production) (5%);
- adult entertainment (5%);
- alcohol (5%);
- gambling (5%); and
- animal testing (for cosmetic purposes) (5%).

The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities.

#### **Screening**

The Sub-Fund will seek to invest in securities of corporate issuers that pass the minimum combined E&S score (minimum is set at 25, on a scale from 0 to 100, with 0 being the worst and 100 being the best score) and a minimum combined ESG score (minimum is set at 34, on a scale from 0 to 100, with 0 being the worst and 100 being the best score), which is based on the Investment Manager's proprietary methodology. These scores are the result of a combination of qualitative and quantitative analysis undertaken by the Investment Manager on each eligible security. The Investment Manager's proprietary relative value system "Observatory" combines third party data covering over 400 ESG metrics in conjunction with the portfolio managers' overall "relative value" decision making. The quantitative scoring process varies the weighting of each measure across industries as the importance of ESG factors differs across industries. The scores are based on relative performance on environmental and social factors within the issuer's industry, making issuers comparable against peers.

#### **Sustainable Investment Criteria**

The eligible universe of the Sub-Fund will be assessed by the Investment Manager to evaluate, identify and invest at least 15% of the Sub-Fund's Net Asset Value in securities of issuers that contribute towards (a) the environmental objectives of (i) climate change mitigation and/or (ii) climate change adaptation; or (b) the social objective of empowerment.

In order to qualify as a 'Sustainable Investment' eligible for investment by the Sub-Fund, the issuer must:

- follow good governance practices;
- not be classified as "significant harm"; and
- be classified as "in transition" (which includes a commitment to transition) or "positive contribution".

In respect of the environmental objectives "climate change mitigation" and "climate change adaptation", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

- The issuer has aligned or committed to align to the Science Based Targets initiative ("SBTi"); and/or
- The issuer is achieving net zero, or is aligned to a net zero pathway, or is aligning towards a net zero pathway or is committed to aligning; and/or
- The issuer's weighted average carbon intensity must be at least 30% lower than the average issuer's holdings in the representative sector; and/or
- The issuer has demonstrable momentum and transition criteria; and/or

*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852*

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.

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

- The proceeds are used to finance green projects, which in relation to asset backed securities means the pool of mortgages/loans are considered to have a positive environmental profile (example: loans for houses with good energy rating, auto loans composed exclusively of hybrid/EV vehicles or fleet CO2 emissions are meeting CO2 emissions targets under applicable EU regulation or other green projects that meet recognised standards for environmental performance).

Where an issuer is not currently aligned with net zero but, in the view of the Investment Manager, will be moving towards commitment and/or alignment, this will be assessed on a timetable.

In respect of the social objective of “empowerment”, the investment will be classified as “in transition” or “positive contribution” if it fulfils at least one of the following conditions:

- The issuer is either already aligned or has committed to align with SDG 10 (reduced inequalities) and it follows a responsible lending policy in respect to the mortgage portfolio; and/or
- The issuer is either already aligned or has committed to align with SDG 11 (sustainable cities and communities) and it follows a responsible lending policy in respect to the mortgage portfolio.

● ***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 Sub-Fund excludes corporate issuers that derive a material part of their revenues from products/activities that are listed in the exclusion list.
- The Sub-Fund only invests in securities of corporate issuers that pass the minimum combined E&S score (set at 25 out of 100) and the minimum ESG score (set at 34 out of 100) that have been set for this Sub-Fund as described in the investment strategy section above.
- The Sub-Fund invests at least 15% of its net assets in sustainable investments.

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

Exclusion screens are applied, however, the Sub-Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

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

The investee companies in which the Sub-Fund invests will follow good governance practices and are rated for governance aspects using the Investment Manager’s ESG score. Common governance indicators include sound management structures, such as board independence and diversity, employee ownership, remuneration of staff, tax compliance, rights of minority shareholders, executive remuneration, and audit and accounting oversight, in addition to those governance factors which are specific to ABS, including structural features of a transaction that evidence adequate protection to bondholders and alignment of interest. These governance indicators are a major component of the Investment Manager’s ESG score

The Sub-Fund further intends to ensure good governance of the investee companies via active engagement. All engagements directly conducted by the Investment Manager are recorded in the Investment Manager’s Observatory database. The governance ratings and practices are monitored on an ongoing basis to ensure that the Sub-Fund only holds investee companies that follow good governance practices.

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



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

#1 Aligned with E/S characteristics

The Investment Manager intends to invest a minimum of 80% of the Sub-Fund’s assets in investments which are aligned with the environmental and social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy of the Sub-Fund, under normal market conditions. The Sub-Fund is committed to investing a minimum of 15% of net assets in aggregate in sustainable investments which have an environmental objective and/or a social objective. It is currently anticipated that out of the Sub-Fund’s allocation to sustainable investments, the Sub-Fund will have a majority allocation to sustainable investments with an environmental objective. This is due to the greater availability of assets with an environmental

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

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.

objective. It is anticipated that the allocation to sustainable investments with an environmental objective will be 14%. It is anticipated that the allocation to sustainable investments with a social objective may be 1%. However, the Sub-Fund's asset allocation to sustainable investments which have specifically an environmental objective or specifically a social objective is not fixed (noting that in some instances, an investment may have both an environmental and a sustainable investment objective) and this allocation may change over time. Details of the exact sustainable investment split (between environmental sustainable investments and social sustainable investments) will be disclosed in the SFDR periodic report template.

With the exception of #2 Other assets, ESG analysis will be applied to 100% of the Sub-Fund's securities and accordingly the Investment Manager is expected, in normal market conditions, to invest at least 80% of the Sub-Fund's assets in securities which are aligned with the environmental and social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy of the Sub-Fund.

#2 Other

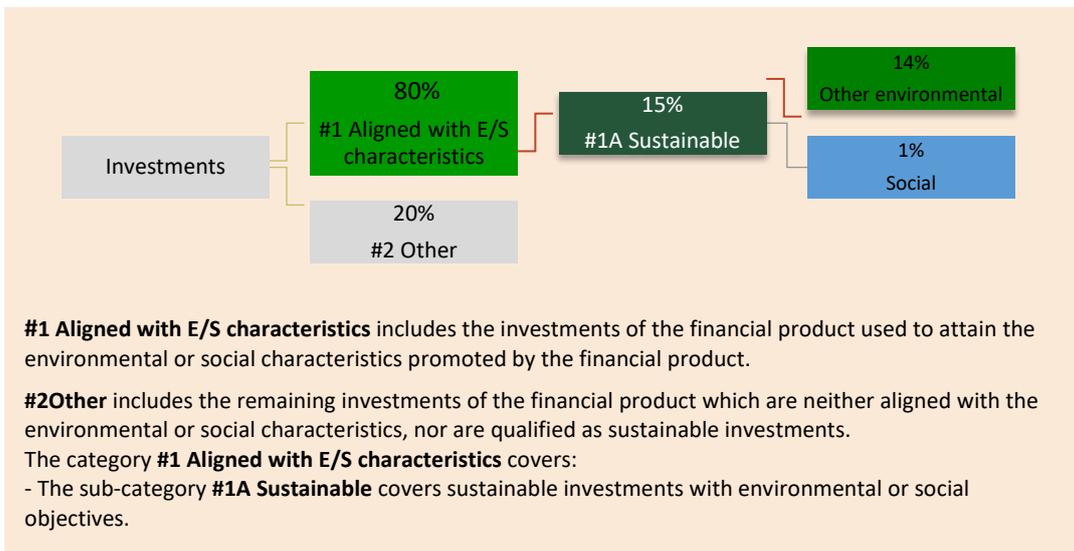
The Sub-Fund may, under normal market conditions, hold up to 20% in cash and instruments used for the purposes of ancillary liquidity. This percentage may increase significantly in extreme market conditions. The Sub-Fund may additionally employ financial derivative instruments used for the purposes of efficient portfolio management and hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

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

Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.



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



While individual investments may contribute to EU Taxonomy environmental objectives, the Sub-Fund does not commit to invest a minimum share in environmentally sustainable investments as defined by the EU Taxonomy regulation. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy Regulation 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>?**

<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.

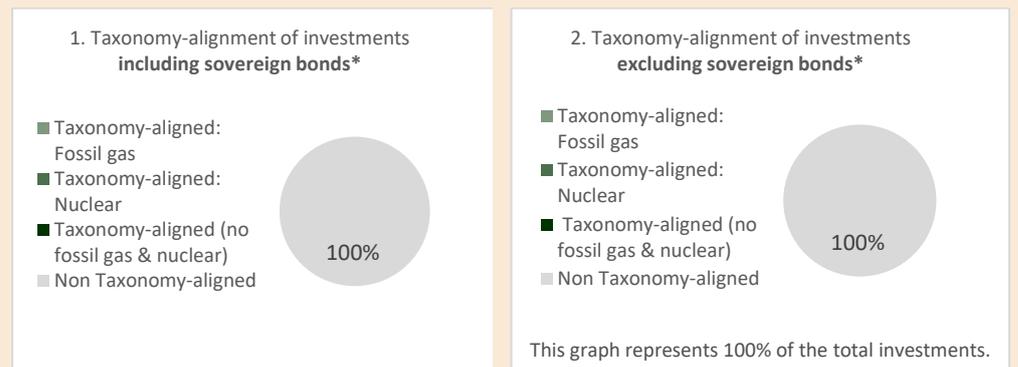
Yes: [specify below, and details in the graphs of the box]

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.

[only include in the graphs the figures for Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy]



\* 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.



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

0%.



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

0%. There is no minimum share of sustainable investments with a social objective. The Sub-Fund will invest a minimum of 15% of Net Asset Value in aggregate in sustainable investments. Whilst the Sub-Fund does not commit to invest a minimum percentage of Net Asset Value in sustainable investments which have specifically an environmental objective or specifically a social objective, due to the greater availability of assets with an environmental objective, it is currently anticipated that out of the Sub-Fund's allocation to sustainable investments, the Sub-Fund will have a majority allocation to sustainable investments with an environmental objective (anticipated to be 14%), with the allocation to sustainable investments with a social objective may be 1%. However, the Sub-Fund's asset allocation to sustainable investments which have specifically an environmental objective or specifically a social objective is not fixed and this allocation may change over time. Details of the exact sustainable investment split (between environmental sustainable investments and social sustainable investments) will be disclosed in the SFDR periodic report template.



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

The Sub-Fund may hold ancillary liquid assets and use financial derivative instruments for the purpose of efficient portfolio management and hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



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



**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?**

The Sub-Fund has not designated a reference benchmark to determine whether this Sub-Fund is aligned with the environmental and/or social characteristics that it promotes.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

**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://www.twentyfouram.com/sustainability>