

The Directors of MFP SICAV p.l.c. whose names appear on the last page accept responsibility for the information contained in this Offering Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

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# Offering Supplement

(the "Offering Supplement")

27<sup>th</sup> of May 2021

relating to the offer of Investor Shares in

## RAPHAEL'S ETHICAL CHOICE Fund

(the "Sub-Fund")

a Sub-Fund of

### MFP SICAV p.l.c.

(the "Company")

a self-managed open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta and licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370, Laws of Malta). The Company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta).

#### ESTM Ltd

(the "Administrator")

#### Sparkasse Bank Malta plc

(the "Custodian" and the "Banker")

#### Invest4Growth Asset Management Ltd

(the "Investment Manager")

#### Deloitte Audit Limited

(the "Auditor")

**Important Notice:** This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest version of the Prospectus of the Company. Save as disclosed in this Offering Supplement, there has, as at the date indicated above, been no significant change and no significant new matter has arisen since publication of the Prospectus. The Company has also published one or more Key Investor Information Documents (each a "KIID") in respect of the Sub-Fund.

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**RAPHAEL'S ETHICAL CHOICE FUND, A SUB-FUND OF MFP SICAV P.L.C. IS LICENSED AS A COLLECTIVE INVESTMENT SCHEME BY THE MALTA FINANCIAL SERVICES AUTHORITY ("MFSA") UNDER THE INVESTMENT SERVICES ACT (CAP. 370, LAWS OF MALTA) AND QUALIFIES AS A 'MALTESE UCITS' IN TERMS OF THE INVESTMENT SERVICES ACT (MARKETING OF UCITS) REGULATIONS (S.L. 370.18, LAWS OF MALTA). AUTHORISATION OF THE COMPANY AND ITS SUB-FUNDS BY THE MFSA DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY AND ITS SUB-FUNDS AND THE MFSA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY AND ITS SUB-FUNDS.**

THIS OFFERING SUPPLEMENT IS AN UPDATED VERSION OF THE OFFERING SUPPLEMENT DATED 8<sup>th</sup> OF MARCH 2021.

# Contents

<b>Contents</b> .....	<b>ii</b>
<b>Important Information</b> .....	<b>3</b>
Suitability of Investment.....	3
Restrictions on Distribution outside Malta .....	3
<b>Interpretation</b> .....	<b>4</b>
Definitions.....	4
General .....	4
<b>Key Features</b> .....	<b>5</b>
The Sub-Fund and the Investor Shares .....	5
Investment Objective, Policy and Restrictions.....	6
Integration of Sustainability Risks.....	7
The Offering.....	8
Fees.....	8
Deadlines.....	9
<b>The Offering</b> .....	<b>10</b>
Share Offer .....	10
Purchase, Transfer and Exchange of Shares.....	10
Redemption of Shares .....	11
Deferral of Redemption .....	11
Pricing.....	11
Duration of the Sub-Fund .....	11
<b>The Investment Committee &amp; Portfolio Management Function</b> .....	<b>12</b>
<b>Broker</b> .....	<b>13</b>
<b>Conflicts of Interest</b> .....	<b>14</b>
<b>Fees Payable by the Sub-Fund</b> .....	<b>15</b>
Investment Committee Fees.....	15
Investment Management Fee.....	15
Performance Fee.....	15
Administration Fees .....	16
Custody Fees.....	16
Subscription Fee.....	16
Other Expenses.....	16
<b>General Information</b> .....	<b>17</b>
The Rights of Shareholders.....	17
Share Capital and Accounts .....	17
Access to information .....	17
Fractional Shares.....	17
Shares in Other Sub-Funds of the Company .....	17
Dividend Policy ( <i>“A” Distribution Class and “B” Distribution Class only</i> ) .....	17
Sub-Fund Expenses .....	19
Documents Available for Inspection .....	19
<b>Directory</b> .....	<b>20</b>
<b>Addendum: Pre-Contractual Disclosures</b> .....	<b>21</b>

# Important Information

**BEFORE PURCHASING ANY INVESTOR SHARES IN THE SUB-FUND DESCRIBED IN THIS OFFERING SUPPLEMENT, YOU SHOULD MAKE SURE THAT YOU FULLY UNDERSTAND THE NATURE OF THIS INVESTMENT, THE RISKS ASSOCIATED WITH IT AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE NOT CERTAIN ABOUT THE CONTENTS OF THIS OFFERING SUPPLEMENT, YOU SHOULD SEEK THE ADVICE OF A SUITABLY QUALIFIED ADVISOR. YOU SHOULD ALSO REFER TO THE LATEST VERSION OF THE PROSPECTUS WHICH ACCOMPANIES THIS OFFERING SUPPLEMENT AND WHICH DESCRIBES THE COMPANY AND PROVIDES GENERAL INFORMATION ABOUT OFFERS OF INVESTOR SHARES IN THE COMPANY. YOU SHOULD NOT TAKE ANY ACTION IN CONNECTION WITH THIS OFFER OF INVESTOR SHARES UNLESS YOU HAVE RECEIVED A COPY OF THE PROSPECTUS.**

## **Suitability of Investment**

Before investing in the Sub-Fund, you should inform yourself how you could be affected by: (a) any possible tax consequences; (b) any legal and regulatory requirements; (c) any applicable foreign exchange restrictions or exchange control requirements; (d) any governmental or other consents or formalities that you might require or otherwise encounter under the laws of your country of citizenship, residence or domicile and which might affect your acquisition, holding or disposal of Investor Shares or receipt by you of income from such Investor Shares.

The value of the Investor Shares will fluctuate, and there is no guarantee that you will make a profit, or that you will not make a loss, on your investment. Refer also to the Section of the Prospectus entitled "Risk Factors". The Risk Factors outlined in the Prospectus are sufficiently exhaustive to also cater for any specific risks which may apply for an investment in the Sub-Fund.

An investment in the Investor Shares by you is best undertaken after you are satisfied, possibly after obtaining advice from a suitably qualified advisor, that you have properly assessed the merits and risks associated with the investment and that your financial resources are adequate to enable you to bear any potential losses that may arise. The contents of this Offering Supplement and of the Prospectus are not intended to contain, and should not be regarded as containing, advice relating to taxation, legal advice, investment advice or any other matter.

## **Restrictions on Distribution outside Malta**

The offer of Investor Shares pursuant to this Offering Supplement is deemed to be an offer of securities to the public in terms of the Companies Act, however, the distribution of this Offering Supplement, the Prospectus, the Key Investor Information Document ("KIID") and the offering of Investor Shares may be restricted in other jurisdictions. This Offering Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. Persons to whose attention this Offering Supplement may come are required to inform themselves about, and to observe, such restrictions.

# Interpretation

## Definitions

Terms used in this Offering Supplement shall, unless otherwise defined or the context otherwise requires, have the same meaning as those defined in the Prospectus.

In this Offering Supplement, the following words shall have the meanings set opposite them:

<b>Business Day</b>	Any day that is not a Saturday or a Sunday and not a public or bank holiday in Malta. The Board may under the Prospectus determine additional Business Days for any particular year.
<b>Institutional Investor</b>	Any person that qualifies as a Professional Client under Annex II of MiFID or as an Eligible Counterparty in terms of MiFID.
<b>Investment Management Team</b>	The Investment Committee.
<b>High Water Mark or HWM</b>	The higher of (a) the Initial Offering Price, and (b) the highest NAV per share on which a performance fee was paid.
<b>MiFID II</b>	The Markets in Financial Instruments Directive (Directive 2014/65/EU as may be amended from time to time).
<b>Redemption Day</b>	Every Business Day.
<b>Redemption Price</b>	The price at which Investor Shares shall be redeemed, which shall be equivalent to the NAV per Share at the Valuation Day on the relevant Redemption Day.
<b>Retail Investor</b>	Any person that is not an Institutional Investor.
<b>Subscription Day</b>	Every Business Day.
<b>Subscription Price</b>	The price at which Investor Shares may be acquired, which shall be equivalent to the NAV per Share at the Valuation Day on the relevant Subscription Day.
<b>Valuation Day</b>	A day on which the NAV of the Fund and/or the NAV per Fund Share of each class is calculated, which shall be calculated on every Business Day as described in this Offering Supplement.
<b>Valuation Day</b>	23.59 CET on the Business Day immediately preceding a Dealing Day.

## General

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Prospectus. Please see the Section of the Prospectus entitled “**Interpretation**” for further details.

# Key Features

## The Sub-Fund and the Investor Shares

<b>Name of the Sub-Fund Listing</b>	<p><b>Raphael's Ethical Choice Fund</b></p> <p>No application has been made for a listing on any stock exchange for any of the Investor Shares</p>
<b>Segregation</b>	<p>The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other sub-fund and of the Company. The Classes of the Sub-Fund do not constitute segregated portfolios. Please refer to the Prospectus for further details.</p>
<b>Classes of Investor Shares</b>	<p>The Sub-Fund is comprised of the four (4) classes of Investor Shares:</p> <p>“A” Accumulation Class Shares (the “<b>A Accumulation Class</b>”);          “A” Distribution Class Shares (the “<b>A Distribution Class</b>”);          “B” Accumulation Class Shares (the “<b>B Accumulation Class</b>”);          “B” Distribution Class Shares (the “<b>B Distribution Class</b>”).</p>
<b>Base Currency</b>	<p>All Classes have a EUR base currency.</p>
<b>Eligibility for Investment</b>	<p>The “A Accumulation Class” and “A Distribution Class” are available to institutional investors.</p> <p>The “B Accumulation Class” and “B Distribution” Class are available to retail investors.</p>
<b>Profile of Typical Investor</b>	<p>The Sub-Fund is suitable for investors wishing to invest in stocks, shares and related financial instruments for the long term (at least 5 years) and who is prepared to accept fluctuations in the value of their investment.”</p>
<b>Voting Rights</b>	<p>The Investor Shares entitle the holder to one (1) vote per Share at general meetings of the Company.</p>
<b>Dividend Policy</b>	<p>The “A Distribution Class” and the “B Distribution Class” are expected to pay dividends on an annual basis as described in the “Dividend Policy”.</p>
<b>Tax Status</b>	<p>The Sub-Fund is classified as a Non-Prescribed Fund. Please refer to the Section of the Prospectus entitled “Taxation” for further details on the tax treatment of Non-Prescribed Funds and shareholdings in such funds.</p>

Further details regarding the Investor Shares and the rights attaching thereto in respect of the Sub-Fund can be found in the Section entitled “General Information” below.

## Investment Objective, Policy and Restrictions

### Investment Objective

The objective of the Sub-Fund is to generate capital appreciation over a long-term horizon by investing in equities on a global basis.

**There is no guarantee that the investment objective of the Sub-Fund will be achieved and investment results may vary substantially over time.**

### Investment Policy

The sub-fund's assets are invested in equities of companies that have an Environmental, Social and Corporate Governance (ESG) focus. Within the security selection process, the sub-fund applies generally accepted strategies for the implementation of the ESG approach. The ESG performance of a company is evaluated independently from financial success based on a variety of indicators, which consider ecological and social objectives as well as corporate governance. For the assessment, transparency as well as the product and service range of a company will be taken into consideration.

The Sub-fund's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies.

The investment process comprises two different sets of selection criteria:

1) The first selection process will follow stringent investment criteria in selecting securities for the Sub-fund's investment portfolio. These criteria aim to ensure that the Sub-fund invests in high quality companies:

- That realize a high and sustainable return on operating capital employed;
- That realize high and sustainable free cash flows;
- Who dispose of competitive advantages which are difficult to replicate;
- which do not require significant leverage to generate returns;
- with a strong growth profile;
- that are resilient to change, particularly technological innovation;
- whose valuation is considered by the Sub-fund to be attractive.

2) In a second phase, the shortlisted equities will be screened on the ESG parameters and final selection will be made in line with the internal ESG policy of the Investment Manager:

Investors should be aware that the application of these investment criteria significantly limits the number of potential investments which the Sub-fund will consider to be appropriate investments for the Sub-fund's portfolio.

The Sub-Fund does not have a geographical bias but will mainly consist of companies in developed markets and listed on regulated exchanges. The Sub-Fund will mainly invest in equities with a market capitalization covering large to mid-cap companies.

Investments made by the Sub-Fund will be subject to ongoing monitoring by the Investment Manager. Allocations of the Sub-Fund's assets may be adjusted to reflect the degree to which an investment meets the ESG criteria.

The Sub-Fund shall not invest in units of other UCITS Schemes or other collective investment scheme.

### Use of Derivatives

The Sub-Fund uses financial derivative instruments for hedging and/or efficient portfolio management. These financial derivative instruments shall only be dealt on a Regulated Markets and are limited to options and futures contracts on equity indices and individual equities.

<p><b>Investment and Borrowing Restrictions</b></p>	<p>The Sub-fund will not hedge any currency exposure.</p> <p>In pursuing its Investment Objective and Investment Policy, the Sub-Fund will be subject to the Investment, Borrowing and Leverage Restrictions set out in the Section of the Prospectus entitled “Investment Objectives, Policies and Restrictions”.</p> <p>The global exposure of the Sub-Fund arising out of its FDI positions will be measured on the basis of the Absolute VAR approach as set out in the MFSA Rules.</p>
<p><b>Global Exposure</b></p>	<p>The Value-at-Risk approach (absolute VAR) is used to calculate the Global Exposure of the Sub-Fund and will not exceed 20%. The Sub-Funds global exposure relating to derivative instruments will not exceed the total net value of the portfolio.</p> <p>The expected level of leverage of the Sub-Fund could is 150%, calculated as the sum of notional value of derivatives used. The actual level of leverage of the Sub-Fund might change over time and might temporarily exceed or be inferior than the expected level of leverage of derivatives of the Sub-Fund.</p> <p>The sum of notional methodology does not allow for the netting of financial derivative instrument positions which can include hedging transactions and other risk-mitigating strategies. As a result, financial derivative instrument rollovers and strategies relying on more highly leveraged instruments, may contribute to an increase in the level of leverage whereas they may not increase or only moderately increase the overall risk profile of the Sub-Fund which is monitored and limited according to the UCITS regulation.</p>
<p><b>Approved Regulated Markets</b></p>	<p>As per the Prospectus.</p>

## Integration of Sustainability Risks

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification. No index has been designated as a reference benchmark for the purpose of attaining environmental or social characteristics promoted by the financial product.

In managing the investments of the Sub-Fund, the Investment Manager takes into account sustainability risks and the potential impact of such risks on the returns of the Sub-Fund’s investments. A sustainability risk is an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Further details regarding SFDR can be found in the Addendum to this Offering Supplement entitled “**Pre-Contractual Disclosures**”.

Notwithstanding the above, and albeit third party ESG data and due diligence are employed when considering ESG risks and their potential impact on the Sub-Fund’s returns, such third party ESG data may be difficult to obtain and/or incomplete, estimated, out of date or otherwise inaccurate. In particular, data may be more readily available and/or reliable in certain countries, markets and/or industries where the Sub-Fund invests, making direct comparison of the ESG risks relevant to different investments difficult. In addition, due diligence relies on the availability and accuracy of various sources, such as company disclosures and other third party information, which often include forward looking statements of intent and are not necessarily fact-based or objectively measurable. The Investment Manager is also dependent on the subjective judgements on ESG risks of its investment analysts. Each of the foregoing means that an ESG risk relevant to a particular investment may not be identified prior to the investment being made and losses may be suffered as a result.

## The Offering

<b>Number of Investor Shares on Offer</b>	100,000,000 Investor Shares in respect of the “A” Accumulation Class; 100,000,000 Investor Shares in respect of the “A” Distribution Class; 100,000,000 Investor Shares in respect of the “B” Accumulation Class; 100,000,000 Investor Shares in respect of the “B” Distribution Class;
<b>Initial Offer Price</b>	EUR100 for each Investor Share Class on offer.
<b>Initial Offering Period</b>	From the 28 <sup>th</sup> of July 2017 to the Closing Date.
<b>Closing Date</b>	31 <sup>st</sup> August 2017, 16:00pm (CET) or such earlier or later date as the Directors may in their sole discretion determine, unless a 12-month period from the date of licencing of the Sub-Fund has elapsed.
<b>Minimum Holding/ Minimum Initial Investment</b>	<p>“A” Accumulation Class: EUR1,000;          “A” Distribution Class: EUR1,000;          “B” Accumulation Class: EUR1,000;          “B” Distribution Class: EUR1,000;</p> <p>The minimum holding by each Investor Share on offer is subject to the discretion of the Directors and may change from time to time.</p>
<b>Minimum Additional Investment</b>	<p>“A” Accumulation Class: EUR1,000;          “A” Distribution Class: EUR1,000;          “B” Accumulation Class: EUR1,000;          “B” Distribution Class: EUR1,000;</p>
<b>Publication of NAV per Share</b>	The NAV per Share will be published on the website of most recognised data providers and on <a href="http://www.beama.be">www.beama.be</a> on a daily basis.
<b>Listing</b>	None.

Further details regarding this offering of Investor Shares can be found in the Section entitled “The Offering” below.

## Fees

<b>Investment Committee Fees</b>	The members of the Investment Committee have waived their remuneration
<b>Investment Management Fee</b>	<p><u>“A” Accumulation Class and the “A” Distribution Class:</u></p> <p>0.75% per annum of the NAV on each Valuation Day and payable to the Investment Manager monthly in arrears.</p> <p><u>“B” Accumulation Class and the “B” Distribution Class:</u></p> <p>1.50% per annum of the NAV on each Valuation Day and payable to the Investment Manager monthly in arrears.</p>
<b>Performance Fee</b>	<p><u>“A” Accumulation Class, and the “A” Distribution Class:</u></p> <p>15% if the NAV at the end of the quarter is higher than the highest NAV at the end of the previous quarters or higher than the Initial Offering Price calculated on the NAV of each Valuation Day. The Performance fee is calculated on a “high water mark” principle.</p>



“B” Accumulation Class and the “B” Distribution Class:

<b>Custody Fee</b>	<p>None.</p> <p>If the value of the total assets of the Sub-Fund is up to but less than EUR 10 million the Custody Fee shall be 0.100% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR 5,000 per annum.</p> <p>If the value of the total assets of the Sub-Fund is larger than EUR 10 million but less than EUR 50 million the Custody Fee shall be 0.075% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR10,000 per annum.</p> <p>If the value of the total assets of the Sub-Fund is larger than EUR 50 million the Custody Fee shall be 0.035% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR25,000 per annum.</p> <p>The Custody Fee shall be payable to the Custodian quarterly in arrears.</p> <p>The Custody Fee shall be levied quarterly and will be based upon the average monthly closing balances for the quarter. The Custody Fee will be applied to the aggregate value of the assets, including assets the sub-funds may hold with sub-custodians, including deposits, with 3rd party banks</p>
<b>Administration Fee</b>	<p>From the commencement date as specified in the Administration Agreement, the administrator is to receive a variable rate as follows: of 0.03% of the NAV of the Sub-Fund per annum for NAV up to EUR 50Mil, 0.025% for a NAV of EUR 50Mil to EUR 100Mil and 0.020% for NAV of EUR 100Mil and over. In addition to a fixed fee of EUR17,000 per annum.</p>
<b>Subscription Fee</b>	<p>A Subscription Fee of up to 3% may be charged to investors upon subscription for shares. Such Subscription Fee will be paid to the Authorised Distributor, unless the Board of Directors in its sole discretion decides that the Subscription Fee in certain events (e.g., a Soft Closure of the Sub-Fund) shall be payable to the Sub-Fund itself.</p>
<b>Switching Fee</b>	<p>None.</p>
<b>Redemption Fee</b>	<p>None.</p>
<b>Dilution Levy</b>	<p>None.</p>

Further details regarding the fees chargeable to the Sub-Fund can be found in the Section entitled “Fees Payable by the Sub-Fund” below.

## Deadlines

<b>Settlement Date</b>	<p>By 16:00 CET Three (3) Business Days after the relevant Subscription Day and Seven (7) Business Days after the relevant Redemption Day</p>
<b>Subscription Notice Deadline</b>	<p>By 16:00s CET one (1) Business Day prior to the relevant Subscription Day.</p>
<b>Redemption Notice Deadline</b>	<p>By 16:00 CET one (1) Business Day prior to the relevant Redemption Day.</p>

# The Offering

## Share Offer

This Offering Supplement is supplemental to, and must be read in conjunction with, the Prospectus issued by the Company.

The Offering Supplement constitutes an offer of Investor Shares in the Sub-Fund which is initially comprised of four (4) classes of Investor Shares. Up to 100,000,000 shares in respect of the "A" Accumulation Class, "A" Distribution Class, "B" Accumulation Class, and the "B" Distribution Class. The investor shares have no nominal value.

The offering of the Investor Shares at the Initial Offering Price commences at 10a.m (10.00 hours) (CET) on the 28<sup>th</sup> of July 2017 and closes on the Closing Date.

During the Offering Period, which will commence after the Closing Date, the offer will be for Investor Shares at the Offering Price applicable on the relevant Subscription Day. The Offering Period may be extended at the discretion of the Directors following notification to the MFSA, unless a 12-month period from the date of licencing of the Sub-Fund has elapsed.

## Purchase, Transfer and Exchange of Shares

Investor Shares can be purchased at the prevailing Subscription Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Subscription Application prior to the Subscription Notice Deadline. Subscription requests received after the cut off time for receipt of subscriptions requests will be processed on the following Subscription Day.

If the Subscription Application is not received as required, then the Subscription Application may be rejected or held over until the next Subscription Day at the discretion of the Company. In the event that an application is rejected, any application monies received will be returned without interest by telegraphic transfer to the remitting bank at the discretion of the Company at the risk and expense of the Subscriber. Subject to the satisfaction of the requirements set out above, Investor Shares shall be issued to successful Subscribers on the relevant Subscription Day.

No application will be capable of withdrawal after acceptance by the Administrator, unless such withdrawal is approved by the Directors acting in their absolute discretion. In such circumstances, the Company may charge the Subscriber for any expense incurred by the company and for any loss to the relevant Sub-Fund arising out of such withdrawal.

The Administrator will generally issue written confirmation of ownership to a Shareholder within two (2) Business Days after the applicable Subscription Day.

Payment should be effected as described in the Subscription Agreement, Transfer Form and the Exchange of Shares Application Form which are available from the Administrator. At the Company's discretion, payments may be accepted other than in cash. All payments for Investor Shares must be made in the base currency of that class of Investor Shares and be received in Cleared Funds in any event before 16.00pm (CET) on the Settlement Date. Any applicable bank charges will be borne by the Subscriber.

If payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled and the Directors may charge the Subscriber up to 5% expense fee and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance.

If timely payment has not been received within the settlement period, the Subscription may lapse and be cancelled at the cost of the Subscriber or the Subscriber's financial intermediary. Failure to make payment on the agreed payment date may result in the Company bringing an action against the defaulting Subscriber or the Subscriber's financial intermediary or deducting any costs or losses incurred by the Company or the Administrative Agent against any existing holding of the Subscriber in the Company. Monies returned will be at the risk and expense of the Subscriber.

Full details of the application and subscription process appear in the Section of the Prospectus entitled

“Purchase, Exchange and Transfer of Shares”.

A Subscription Application and other related documentation will be provided upon request by the Administrator or by an Authorised Distributor.

## **Redemption of Shares**

Investors are directed to the Prospectus where the procedures relating to the Redemption of Investor Shares and the conditions applicable thereto are outlined.

Investor Shares can be redeemed at the prevailing Redemption Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Redemption Notice before the Redemption Notice Deadline. Redemption requests received after the cut off time for receipt of redemption requests will be processed on the following Redemption Day.

In terms of the Memorandum and Articles, redemption requests and/or exchange requests are, once made, irrevocable. A Redemption Notice if accepted by the Company will be effective as at the applicable Redemption Day. Investor Shares shall be cancelled on the relevant Redemption Day and redemption requests will generally be settled within seven (7) Business Days from the relevant Redemption Day.

Full details of the redemption process appear in the Section of the Prospectus entitled “**Redemption of Shares**”.

A Redemption Notice and other related documentation will be provided upon request by the Administrator or by an Authorised Distributor.

## **Deferral of Redemption**

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any Redemption Day to 10% of the outstanding Investor Shares in the Sub-Fund on that day (in each case before processing request for the issue of the Investor Shares or requests for redemptions of such Investor Shares for such Redemption Day). In such circumstances the Company or its authorised agent may scale down pro rata the number of Investor Shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded and shall carry forward the balance for redemption as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

## **Pricing**

The calculation of the NAV of the Sub-Fund and of the NAV per Share shall be effected by the Administrator at each Valuation Day in such manner as is stated in the Prospectus under the section entitled “Net Asset Value Calculation”. The NAV per Share will be available from the Administrator and will be published on the website of most recognised data providers and on [www.beama.be](http://www.beama.be) on a daily basis.

## **Duration of the Sub-Fund**

The Duration of the Sub-Fund is indefinite.

# The Investment Committee & Portfolio Management Function

The Directors have appointed an Investment Committee to assist them in performing their duties as set out in the Prospectus. The Investment Committee shall be composed of no less than three (3) persons, all of whom individuals, duly approved by the MFSA and appointed by the Board of Directors who shall operate in accordance with the Terms of Reference of the Investment Committee (as may be amended from time to time subject to the approval of the MFSA). The members of this Committee are:

## **Mr. Sam Safavi**

Sam Safavi started his career in the financial sector in 2004 and worked as an investment advisor and portfolio manager for different Belgian and Luxembourg banks and asset managers. In 2016, Mr. Sam Safavi co-founded Invest4Growth Asset Management Ltd. and MFP Sicav plc and was approved by the MFSA on the 24<sup>th</sup> of February 2016 as Director, Investment Committee Member, Portfolio Manager, Investment Advisor and Money Laundering Reporting Officer. Mr. Sam Safavi is also the founder of I4G Partners BV, a Belgian regulated insurance broker, licensed by the FSMA. Mr. Sam Safavi has a vast experience in EU financial regulations, portfolio management and risk assessment.

## **Mr. Luc Picarelle**

Luc Picarelle started his career in the financial sector in 1987 and worked as an Investment Advisor at Dewaay Bank (now Puilatco Dewaay) and Crédit Général (now KBC Brussels) till 1998. From 1998 on, Luc Picarelle worked as a Portfolio Manager at Fortis Private Banking (now BNP Paribas Fortis Private Banking) and Fuchs et Associés Finance until the end of 2014. From the beginning of 2015, Luc Picarelle became partner at I4G Partners and developed a technical analysis models that assess the trend evolution of the stock markets. Mr. Luc Picarelle has a master's in economics and Social Sciences from the University of Namur and has developed a proprietary market trend model.

## **Mr. Raphael Ursi**

Mr Raphael Ursi has more than 20 years of experience in the financial sector as an asset manager and senior banker. During this period, he worked in the Private Banking department both at ING Belgium as well as at Deutsche Bank. He then became the Head of the Investment Advice team at Deutsche Bank where he was in charge of the portfolio strategy for Private and Personal Banking, the internal and external communication of the investment strategy and the monitoring of risks. In 2012, he became a partner in I4G Partners BV, a Belgian regulated independent insurance broker specialized in financial solutions (pension, wealth, and succession). Raphaël holds a degree as Certified Financial Analyst (ABAF), a master's degree in Business Economics (KUL) and followed a General Management Program of Vlérick – ING Business School.

The above-mentioned Investment Committee members have all been appointed as voting members thereof and, accordingly, are each entitled to attend, speak, and vote at meetings of the Investment Committee. One of the Investment Committee members shall, at all times, be appointed as an independent Investment Committee member and who shall not be involved in any portfolio management function in relation to any sub-fund of the Applicant. The current independent Investment Committee member is Mr Luc Picarelle.

Pursuant to its Terms of Reference, the Investment Committee performs the functions as outlined below or as may otherwise be assigned to the Investment Committee from time to time by the Board:

- i. Undertake portfolio investment activity and monitor and review the investment policy of the Fund with a view to ensuring compliance with its investment parameters and restrictions;
- ii. establish and review on a regular basis appropriate guidelines and parameters for the general investment strategy relating to the assets of the Sub-Funds;
- iii. draw up and review on a regular basis a Global List of securities, collective investment schemes and other instruments. The Global List shall include those instruments, which, in the opinion of the Investment Committee represent appropriate investments in the respective asset class.
- iv. monitor and review the investment policy and performance of the Sub-Fund;

- v. defining, setting, reviewing, and monitoring the investment strategy for the Sub-Fund and for reviewing the activities and performance of the Portfolio Managers and, if appointed, the Investment Advisors;
- vi. issuing of rules for stock selection;
- vii. report to the Board of Directors.

The Investment Committee will meet, at least, quarterly with the majority of meetings being held in Malta. In addition to the abovementioned quarterly meetings, the Investment Committee may also meet on an ad-hoc basis as may be required from time to time. Any one of the Investment Committee members shall be able to call an ad-hoc Investment Committee meeting. Reference is made to the relevant Terms of Reference.

On a quarterly basis, the Investment Committee shall, in turn, report to the Board providing *inter alia* a summary of its activity over the relevant quarter.

The Company, through the Investment Committee, has appointed Invest4Growth Asset Management Ltd. as Investment manager in respect of the Sub-Fund. The Investment Manager was incorporated in Malta on 29<sup>th</sup> July 2015 having its registered address at Dragonara Business Centre, Dragonara Road, St Julian's, Malta. The Investment Manager is appointed pursuant to an Investment Management Agreement by and between the Company through the Investment Committee and the Investment Manager (the "IMA").

The Investment Manager is authorised and regulated by the MFSA with reference number IS/71649.

The Company, through the Investment Committee, has delegated the management of the portfolio of assets comprising the Sub-Fund to the Investment Manager with full discretion, subject to the overall policy guidance, control, and review by the Investment Committee, to invest such assets in pursuit of the investment objectives and subject to the investment restrictions described in this Offering Supplement. In carrying out its duties and responsibilities pursuant to the Investment Management Agreement, the Investment Manager has agreed to exercise its powers and discharge its duties honestly, in good faith, with the care, skill, prudence and diligence that a reasonably prudent and experienced investment manager acting in a like fiduciary capacity and familiar with advising on trading matters would use in the conduct of an enterprise of like character and aims, and in the best interests of the Sub-Fund in the course of the management of the Sub-Fund's portfolio.

The Investment Management Agreement provides that the Investment Manager will not be liable for any loss arising in connection with the subject matter of the IMA unless the loss arose out of the negligence, wilful misconduct or lack of good faith or other breach by the Investment Manager of the provisions of the Investment Management Agreement or any other agreement entered into by the Investment Manager with the Company in relation to the management of the portfolio. Pursuant to the IMA, the Investment Manager has agreed to indemnify the Company and the Sub-Fund against losses as a result of such wrongful acts.

The Investment Management Agreement further provides that the agreement may generally be terminated by a party providing at least ninety (90) days' prior notice. Such agreement may be terminated without notice in the case of material breaches, liquidation of a party, breach of representations and warranties and/or if it ceases to be lawful for the Investment Manager to continue to provide its services.

The Investment Management Agreement is regulated by the laws of Malta and is subject to the jurisdiction of the Maltese courts.

The fees payable to the Investment Manager shall be paid by the Sub-Fund.

## Broker

Interactive Brokers have been appointed as Broker to the Fund. Interactive Brokers (U.K.) Limited, whose registered address is 1, Carey Lane, 5<sup>th</sup> Floor, London, operates as a subsidiary of IBG LLC, which provides online trading execution and clearing services for a range of electronically trading products including stock, options, futures, Forex, CFDs on various electronic exchanges and yarding venue worldwide.

Interactive Brokers has been appointed by the Sub-Fund to act as a Broker in respect of all financial securities. The Broker will be involved in the execution of all “Financial Instruments”. The “Financial Instruments” shall at all times be entrusted to the Custodian, Sparkasse Bank Malta plc, for safe-keeping. In this respect, the Custodian shall not delegate its safe-keeping function to Interactive Brokers, subject to the reporting obligations that are imposed on brokers.

Options and futures, on the other hand, are classified as “Financial Derivative Instruments” (FDIs) and are essentially contractual rights between the Fund and a third party and, as such, cannot be held in Custody. Accordingly, the Custodian’s safe-keeping function in respect of such assets shall consist in ownership verification and record keeping.

Interactive Brokers shall provide the Custodian will full, continuous, and uninterrupted access to, and viewing rights in respect of any, and all, accounts and statements pertaining to Interactive Brokers’ activities and services in respect of the Fund. The Broker shall properly identify, monitor, and disclose to the Custodian, as soon as reasonably possible, any potential conflicts of interest.

Interactive Brokers is a service provider to the Sub-Fund and is not responsible for the preparation of this document or the activities of the Sub-Fund and therefore accepts no responsibility for the information contained in this document other than the above description. Interactive Brokers does not (a) participate in the investment decisions of the Sub-Fund and does not (b) have any obligation to provide advice in relation to the management of the Sub-Fund’s investments.

The Sub-Fund reserves the right to change the customer arrangement described above by the agreement with Interactive Brokers and, in its discretion, to appoint additional and/or alternative brokers. Prior doing so, however, the Fund shall obtain written consent of the Custodian and the MFSA.

The Depository’s duties under the UCITS Directive shall not, in any way, be undermined due to its arrangement with the Broker.

## **Conflicts of Interest**

Please refer to the Section entitled “Conflicts of Interest” in the Prospectus for an overview of potential conflicts of interest affecting persons involved the Company.

In addition, it should be noted that Mr. Sam Safavi and Mr. Raphael Ursi, members of the Investment Committee, are also directors of the Investment Manager, Invest4Growth Asset Management Limited. In accordance with the Terms of Reference of the Investment Committee as well as the Investment Manager’s conflicts of interest policy, any potential conflicts of interest will be declared by both Mr. Safavi and Mr. Ursi and a record thereof will be kept in the proceedings of the Investment Committee.

# Fees Payable by the Sub-Fund

## Investment Committee Fees

The members of the Investment Committee have waived their remuneration.

## Investment Management Fee

The Company will pay the Investment Manager an Investment Management Fee of up to:

- 0.75% per annum in respect of the “A” Accumulation Class;
- 0.75% per annum in respect of the “A” Distribution Class;
- 1.50% per annum in respect of the “B” Accumulation Class;
- 1.50% per annum in respect of the “B” Distribution Class;

The Investment Management Fee will accrue at every Valuation Day and shall be payable monthly in arrears.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

## Performance Fee

### In respect of the A Accumulation Class and the A Distribution Class

The Investment Manager shall also receive from the Company in respect of the Sub-Fund a performance fee (the “Performance Fee”) on the appreciation in the Net Asset Value of the Sub-Fund over the previous High Watermark (“HWM”) multiplied by the number of Investor Shares in issue in the related class of Investor Shares at the end of the related Calculation Period. Each “Calculation Period” shall commence on the Business Day immediately following the last Dealing Day of each quarter and end on the last Dealing Day of the respective quarter.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value excluding any accrued Performance Fee (i.e. the “Gross Asset Value” or “GAV”)

For each Calculation Period, a Performance Fee shall be payable in an amount of 15% of the performance between the current NAV and the highest NAV of the previous quarter-ends (HWM). The HWM is the higher of (a) the Initial Offering Price, and (b) the highest NAV per share on which a performance fee was paid.

The Performance Fee will be calculated and accrued on every Valuation Day and is payable quarterly in arrears normally within 14 calendar days of the end of each Calculation Period.

Please refer to table 1 below:

Period	GAV (a)	HWM (b)	Performance (c) = (a) - (b)	Performance fee (d) = (c) x 15%	NAV (e) = (a) - (d)	Average Number of Shares in issue (f)	Total Performance Fee (g) = (d) x (f)
Launch	100,00	100,00	-	-	-	-	-
Quarter 1	102,00	100,00	2,00	0,30	101,70	1.000,00	300,00
Quarter 2	108,00	101,70	6,30	0,95	107,06	1.000,00	945,00
Quarter 3	105,00	107,60	-	-	105,00	1.000,00	-
Quarter 4	110,00	107,60	2,40	0,36	109,64	1.000,00	360,00
Quarter 5	115,00	109,64	5,36	0,80	114,20	1.000,00	804,00
Quarter 6	119,00	114,20	4,80	0,72	118,28	1.000,00	720,00
Quarter 7	123,00	118,28	4,72	0,71	122,29	1.000,00	708,00

(a) GAV: Gross Asset Value excluding any Performance Fee accruals

### In respect of the B Accumulation Class and the B Distribution Class

None.

## Administration Fees

From the commencement date as specified in the Administration Agreement, the Company shall pay the Administrator out of the assets of each Sub-Fund an administration fee (the "Administration Fee") the administrator is to receive a variable rate as follows: of 0.03% of the NAV of the Sub-Fund per annum for NAV up to EUR 50Mil, 0.025% for a NAV of EUR 50Mil to EUR 100Mil and 0.020% for NAV of EUR 100Mil and over. In addition, a fixed fee of EUR17,000 per annum will apply (excluding VAT thereon if any).

The Administration Fee is calculated by reference to the Net Asset Value at each Valuation Point and shall be payable monthly in arrears.

In addition to the Administration Fee, the Administrator is also entitled to receive out of the assets of each Sub-Fund agreed upon fixed fees for the preparation of unaudited financial statements for the Sub-Fund, investor transactions and maintenance of investor accounts.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties.

## Custody Fees

The Company will pay the Custodian, in respect of the Sub-Fund, a Custody Fee at the following rates:

If the value of the total net assets of the Sub-Fund is up to but less than EUR 10 million the Custody Fee shall be 0.10% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR 5,000 per annum.

If the value of the total net assets of the Sub-Fund is larger than EUR 10 million but less than EUR 50 million the Custody Fee shall be 0.075% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR10,000 per annum.

If the value of the total net assets of the Sub-Fund is larger than EUR 50 million the Custody Fee shall be 0.035% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR25,000 per annum.

The Custody Fee shall be payable to the Custodian quarterly in arrears.

The Custody Fee shall be levied quarterly and will be based upon the average monthly closing balances for the quarter. The Custody Fee will be applied to the aggregate value of the assets, including assets the sub-funds may hold with sub-custodians, including deposits, with 3rd party banks.

The Sub-Fund shall be responsible for all approved disbursements and approved reasonable out-of-pocket expenses incurred by the Custodian in the proper performance of its duties

## Subscription Fee

A Subscription Fee of up to 3% may be charged to investors upon subscription for shares. Such Subscription Fee will be paid to the Authorised Distributor, unless the Board of Directors in its sole discretion decides that the Subscription Fee in certain events (e.g., a Soft Closure of the Sub-Fund) shall be payable to the Sub-Fund itself

## Other Expenses

The Sub-Fund will also be subject to other fees including, its pro-rata share of the Directors; Company Secretary Fees and other operating expenses relating to the Company generally as set out in the Prospectus.



# General Information

## The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles and in the Companies Act and include (inter-alia) the right to receive notice of, and to attend and to vote at, meetings of the Company as summarised below.

The Investor Shares in the Sub-Fund carry the right to one (1) vote per share at general meetings of the Company. The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in the value of the assets of the Sub-Fund as well as the receipt of dividends as set out hereunder.

The Founder Shares do not (for so long as there are any Investor Shares in the Company in issue) carry the right vote at general meetings of the Company but they have (together with the Board) the exclusive right to nominate Directors as eligible for appointment by the Company in general meeting. The Founder Shares do not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than to the surplus, if any, that may remain after payment of all amounts due to creditors and holders of the Investor Shares).

## Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the NAV of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

## Access to information

The Investment Manager may, with the consent of the Company, grant certain Shareholders, including, without limitation, those deemed to involve a significant or strategic relationship, additional information, and reporting. Such information and reporting may provide the recipient greater insights into the Company and the Sub-Fund's activities than is included in standard reports to Shareholders, thereby enhancing the recipient's ability to make investment decisions with respect to the Company and the Sub-Funds and with respect to the investment of its own assets.

## Fractional Shares

Fractional Shares will be issued up to three (3) decimal places.

## Shares in Other Sub-Funds of the Company

The Company is constituted as a multi-fund investment company with variable share capital. As of the date of this Offering Supplement, the Company has not made an offering of Investor Shares in other sub-funds. The Company may establish more sub-funds in the future.

## Dividend Policy (*"A" Distribution Class and "B" Distribution Class only*)

### **General**

It is intended that the Company will distribute most or all of its net income through dividends in respect of the "A" Distribution Class and the "B" Distribution Class in such amounts and with such frequency as may be determined by the Directors in accordance with the Prospectus. It is envisaged, but no guarantee is given, that most or all of the net income of the Sub-Fund will be declared on an annual basis (the "**Dividend Cut-Off Date**"). At each annual general meeting, a final dividend may, if recommended by the Directors and approved by the Shareholders, also be paid.

Only those holders of the "A" Distribution Class and "B" Distribution Class listed on the Company's register of members at close of business on the last Business Day immediately preceding the relevant Dividend Cut-Off Date shall be entitled to receive the respective dividend payments for the relevant period. Payments shall be effected in the Base Currency unless a different arrangement has been agreed to by the Custodian.

Payment of a dividend will be made in the name of the Shareholder or, in the case of joint holders in the name of the first-named joint holder. Payment to the first-named joint holder shall be as effective a discharge to the Company, the Investment Manager, and the Custodian as if such first-named joint holder had been a sole holder.

Payments of dividends will be made by crediting:

- a. of the Shareholder's bank account;
- b. the re-investment in further Investor Shares;

. Notwithstanding the foregoing, the Directors reserve the right to stipulate a threshold below which dividend payments will be automatically re-invested.

Where the Shareholder has opted for direct crediting of dividends and the relative direct credit is rejected for any reason outside the Administrator's control, the Administrator shall: (a) re-invest the proceeds of the direct credit, less any bank charges if applicable, in further Investor Shares of that Class and in the name of the Shareholder(s) on the next Subscription Day following the date that notice of the rejection was received; (b) be deemed to have been given notice from the Shareholder that any future dividends will be automatically re-invested, and the resulting Investor Shares added to the Shareholder's holding in accordance with the Prospectus; and (c) send a statement to the Shareholder reflecting the re-investment of the aforesaid dividend proceeds. Nonetheless the Shareholder may, at any time inform the Administrator of alternative arrangements for the direct crediting of subsequent dividends.

Shareholders may also elect to have their dividends (less any withholding tax deductible upon payment thereof) reinvested in further Investor Shares of that Class in the Sub-Fund. Reinvestment of dividends shall be effected on the next Subscription Day following the day on which the relevant dividend will be payable to the Shareholder and shall be effected at the applicable Offering Price.

If a Shareholder wishes to alter his instructions regarding the payment or re-investment of dividends, he should provide the Custodian and the Administrator with written instructions at least seven (7) clear Business Days prior to the relevant Dividend Cut-Off Date. The Company, the Investment Manager and the Custodian shall not be responsible for any loss or delay in transmission and dividends or any amount payable to Shareholders shall not bear interest against the Company.

Any dividend payments which remain unclaimed after a period of twelve (12) years from the date of payment shall then be transferred to and become part of the Sub-Fund's assets and neither the payee, Shareholder nor their successor(s) in title shall have any right thereto other than as part of the NAV per Share.

Shareholders entitled to receive dividend payments will, on or after the payment date, be sent a Dividend Certificate which shall include details in respect of the income distributed including, if required by any applicable legislation, a statement of how much of the amount to which they are entitled represents any tax deducted in respect of that income.

All payments are subject to any pledge of Investor Shares duly constituted and notified to the Company as well as to any applicable fiscal laws and regulations — your attention is drawn to the section in the Prospectus entitled "**Taxation**" and to the part hereof entitled "**Taxation**" hereunder.

All dividend payments shall be effected in accordance with the Licence Conditions or any other applicable MFSA requirements.

### ***Allocation of Income***

Pursuant to the Company's Memorandum and Articles, the income available for allocation in respect of the Class A and B EUR Distribution Shares is calculated by deducting all payable charges, fees, taxes, and other expenses from all income while taking into account the corresponding income equalisation. The Sub-Fund shall distribute the realised capital gains and other income (accounting for income equalisation) and shall in case there is no realized capital gain and other income, distribute the unrealised capital gains.

### ***Income Allocation Dates***

Any income which stands to be allocated to the income account in respect of an interim accounting period shall be so allocated by not later than two (2) months after the end of each interim accounting period as

specified in this Prospectus for the purposes of dividend distributions, and in respect of the Accounting Period, the allocation shall be made by not later than two (2) months after the end of the Accounting period.

### ***Income Equalisation Account***

The Offering Price of any Investor Shares generally contains an element representing the accrued income earned by those Investor Shares since the start of the relevant interim accounting period. This means that investors buying Investor Shares buy a percentage of net income, and the corresponding portion of the Offering Price (the equalisation payment) will be notionally credited by the Company to an equalisation account for the Sub-Fund.

The equalisation account will be maintained in order to ensure that equal amounts are distributed in respect of each Investor Share notwithstanding different dates of issue.

When an equalisation payment has been effected, any subsequent dividends in relation to the relevant Investor Shares shall include an amount corresponding to the aforesaid equalisation payments and paid out of the equalisation account. However, the said amount shall not be included as part of the dividend in the event that the Directors exercise their discretion (as described hereunder) not to consider equalisation when determining distributions.

The Redemption Price of any Investor Shares will also include an equalisation payment in respect of the net income of the Sub-Fund since the start of the relevant Interim Period up to the date of redemption, and upon the redemption of any Investor Shares based on that Redemption Price, a sum equal to that part of the Redemption Price of an Investor Share which reflects net income (if any) accrued up to its date of redemption will be deemed to be an equalisation charge and debited to the equalisation account.

In the absence of significant fluctuations between the redemption and issue of Investor Shares, the Directors may choose not to consider equalisation when determining distributions to Shareholders or to pay to such Shareholders any excess of equalisation credits over debits. Any fluctuations between redemption and issue of shares that could have an effect of one per cent (1%) or more on the NAV per Share shall be considered significant.

### **Sub-Fund Expenses**

The fees and expenses incurred in connection with the establishment of the Sub-Fund, the application for licensing of the Sub-Fund, the preparation and publication of the Offering Supplement and all legal costs and out of pocket expenses in relation thereto shall be borne by the Company.

### **Documents Available for Inspection**

Copies of the following documents shall be available for inspection at the registered office of the Company or at the offices of the Administrator (see Directory at last page hereof) during normal business hours:

1. The Memorandum and Articles, and Certificate of Incorporation of the Company;
2. The latest Prospectus, and Offering Supplements for all Sub-Funds;
3. All KIIDs;
4. The Investment Management Agreement;
5. The Depository Agreement;
6. The Broker Agreement;
7. The Administration Agreement;
8. The ISA; and
9. The latest Annual and Half Yearly report of the Company.

# Directory

<b>Directors of the Company</b>	Mr. Sam Safavi Mr. Bertrand Sluys Mr. Bjorn Grech Mr. Raphael Ursi
<b>Registered Office</b>	5 <sup>th</sup> Floor, Dragonara Business Centre, Dragonara Road, St Julian's, STJ3141Malta
<b>Company Secretary</b>	<b>Invest4Growth Asset Management Limited,</b> 5 <sup>th</sup> Floor, Dragonara Business Centre, Dragonara Road, St Julian's STJ3141 Malta
<b>Sub-Investment Manager</b>	<b>Invest4Growth Asset Management Ltd.</b> Dragonara Business Centre Dragonara Road, St Julian's. Malta
<b>Custodian and Banker</b>	<b>Sparkasse Bank Malta plc</b> 101, Townsquare, Ix-Xatt ta' Qui-si-Sana, Sliema SLM 3112, Malta
<b>Broker</b>	<b>Interactive Brokers (U.K.) Limited</b> 1, Carey Lane, 5 <sup>th</sup> Floor, London, EC2V 8AE United Kingdom
<b>Administrator</b>	<b>ESTM Ltd</b> Somnium, Level 2, Tower Street, Swatar, Malta
<b>Auditors</b>	<b>Deloitte Audit Limited</b> Deloitte Place, Mriehel Bypass, Birkirkara BKR 3000, Malta

# Addendum: Pre-Contractual Disclosures

Product name: MFP Raphael's Ethical Choice fund  
Legal identifier: 54930071GHLDBXWVJ676  
ISIN Codes: MT7000021085, MT7000021093, MT7000021101, MT7000021119

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification. No index has been designated as a reference benchmark for the purpose of attaining environmental or social characteristics promoted by the financial product.

## ***What environmental and/or social characteristics are promoted by this Financial Product?***

1. The 10 Principles of the UN Global Compact, the 17 UN Sustainable Development Goals (SDG's) and the UN Principles for Responsible Investing are the frameworks which guides the management of the fund.
2. The characteristics promoted by this financial product consist of investing in corporates with excellent Environmental, Social and Governance ratings while excluding companies involved in controversial products or activities with respect to animal welfare, fossil fuels, producing tobacco or military weapons as well as any company from the gambling sector. With respect to fossil fuels, companies active in coal, tar sands, oil shale, unconventional fossil fuels, deep sea drilling and arctic drilling are excluded.
3. The ratings used will be from multiple sources, such as Sustainalytics and CDP (Carbon Disclosure Project).
4. The sustainability indicators used to measure the attainment of these characteristics are:
  - a. GHG emissions scope 1, 2 and 3 as well as their evolution over time and the presence of emission reduction targets
  - b. The energy efficiency
  - c. Policy with respect to water and waste management
  - d. The contribution of the investee companies with respect to the 17 SDGs from the UN.
  - e. Whether the investee companies are signatories of the UN Global Compact.
  - f. Whether the investee companies are GRI compliant in their sustainability reporting.
  - g. The presence of policies with respect to environmental issues, human rights, child labour, anti-bribery, and whistle-blower protection.
  - h. Board Gender diversity
  - i. The rate of accidents/injuries in investee companies

## ***What Investment Strategy does this financial product follow?***

The Sub-Fund's assets are invested in equities of companies that have an Environmental, Social and Corporate Governance (ESG) focus. Within the security selection process, the sub-fund applies generally accepted strategies for the implementation of the ESG approach. The ESG performance of a company is evaluated independently from financial success based on a variety of indicators, which consider ecological and social objectives as well as corporate governance. For the assessment, transparency as well as the product and service range of a company will be taken into consideration. The Sub-fund's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies. The investment process comprises two different sets of selection criteria:

1. The first selection process will follow stringent investment criteria in selecting securities for the Sub-fund's investment portfolio. These criteria aim to ensure that the Sub-fund invests in high quality companies:
  - That realize a high and sustainable return on operating capital employed;
  - That realize high and sustainable free cash flows;
  - Who dispose of competitive advantages which are difficult to replicate;
  - Which do not require significant leverage to generate returns;
  - With a strong growth profile;
  - That are resilient to change, particularly technological innovation;

- Whose valuation is considered by the Sub-fund to be attractive.
2. In a second phase, the shortlisted equities will be screened on the ESG parameters and final selection will be made in line with the internal ESG policy of the Investment Manager.
- Within this process, the fund starts with excluding companies involved in controversial products or activities with respect to animal welfare, fossil fuels, producing tobacco or military weapons as well as any company from the gambling sector. With respect to fossil fuels, companies active in coal, tar sands, oil shale, unconventional fossil fuels, deep sea drilling and arctic drilling are excluded.

Further to the above, the Sub-Fund considers ESG factors by focusing on the potential impact of ESG issues on company financials, namely:

- a) **Environmental** issues concern any aspect of a company's activity that affects the environment in a positive or negative manner. Examples include greenhouse gas emissions, renewable energy, energy efficiency, resource depletion, chemical pollution, waste management, water management, impact on biodiversity, etc.
- b) **Social** issues vary from community-related aspects, such as the improvement of health and education, to workplace-related issues, including the adherence to human rights, non-discrimination, and stakeholder engagement. Examples include labour standards (along the supply chain, child labour, forced labour), relations with local communities, talent management, controversial business practices (weapons, conflict zones), health standards, freedom of association, etc.
- c) **Governance** issues concern the quality of a company's management, culture, risk profile and other characteristics. It includes the board accountability and their dedication towards, and strategic management of, social and environmental performance. Furthermore, it emphasizes principles, such as transparent reporting and the realisation of management tasks in a manner that is essentially free of abuse and corruption. Examples include corporate governance issues (executive remuneration, shareholder rights, board structure), bribery, corruption, stakeholder dialogue, lobbying activities, etc.

#### ***What are the binding elements for the investment selection?***

The exclusion of companies involved in controversial products or activities with respect to animal welfare, fossil fuels, producing tobacco or military weapons as well as any company from the gambling sector is a binding element.

At least 80% of the fund's assets, excluding cash, must fulfill the ESG criteria that put it in the best 50<sup>th</sup> percentile of the Investment Universe according to their overall Sustainalytics rating. Furthermore, the fund will invest in the companies that have a good scoring on the sustainability indicators mentioned previously while setting targets for improvements on their GHG emissions.

#### ***How is the Strategy implemented in the investment process on a continuous basis?***

The assessment of the ESG factors by the companies has been partly outsourced to Sustainalytics, which is a global leader in ESG and Corporate Governance research and ratings with over 25 years of experience. The selection criteria of the Investment Manager follow a best-in-class approach, but at least the Sub-Fund will invest in companies that overall, on the 3 dimensions of Environmental, Social and Governance have a scoring that put it in the best 50<sup>th</sup> percentile of the Investment Universe. Exceptions can be made as some companies could be very close to the threshold and moving in the right directions or because the company is not yet assessed by Sustainalytics. Therefore, on a fund level, at least 80% of the fund's assets, excluding cash, must fulfill the ESG criteria that put it in the best 50<sup>th</sup> percentile of the Investment Universe.

Furthermore, the different sustainability indicators mentioned previously are monitored continuously and the fund will invest in the companies that have a good scoring on the sustainability indicators while setting targets for improvements on their GHG emissions.

Compliance with the characteristics is monitored on a regular basis.

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

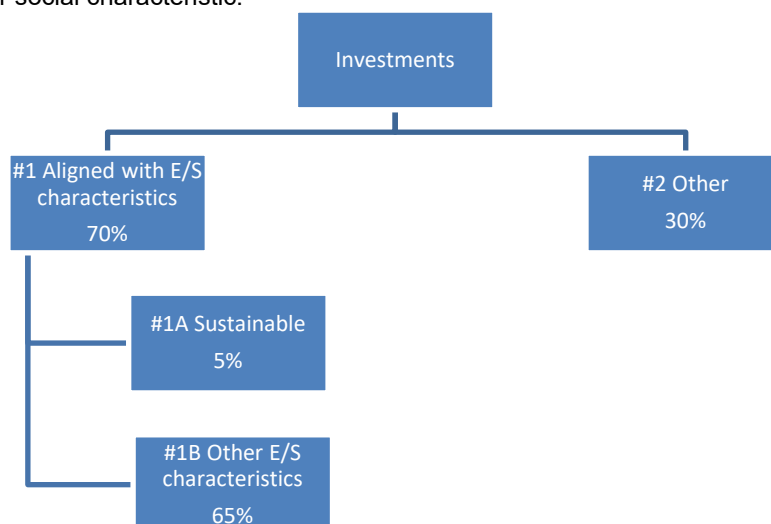
The implementation of the selection criteria leads to the exclusion of around 50% of potential investments.

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

The investee companies are rated for governance aspects using the Sustainalytics ratings, which are complemented by a qualitative analysis based on available information from the company itself, as well as other sources such as Bloomberg. In that respect, an independent, diverse board of directors is considered positively as well as key committees such as audit, nominating and compensation committees that comprise independent directors.

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

The fund invests in direct holdings. In order to meet the environmental or social characteristics promoted, the fund generally invests about 70% of its assets in companies that fulfill the ESG criteria. Hence, 70% of the investments are aligned with the social or environmental characteristics. This includes at least 5% of the total investments that are qualified as sustainable investments. 30% of the investments do not incorporate any environmental or social characteristic.



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

The largest part of this will be attributable to holding cash which traditionally represents about 20% of the portfolio. The fund will not invest in companies that are not aligned with the 10 Principles of the UN Global Compact. However, the fund might lower their minimum thresholds for company selection if it believes that the company is putting efforts to improve on the ESG criteria.

**Does this financial product make use of derivatives?**

<p>Yes x</p>	<p><b>If yes, how is the use of derivatives aligned with the E/S characteristics</b> ..</p> <p><b>x No</b> Explain: the fund uses derivatives for hedging and/or efficient portfolio management while the underlying instruments are often broad equity indices</p>
<p>No ..</p>	

***How will sustainable investments contribute to a sustainable investment objective and not significantly harm any sustainable investment objective?***

Investments in Wind Power and solar photovoltaic energy production are considered as significantly contributing to climate change mitigation under the EU Taxonomy. Also, investments in companies that are substituting fossil fuels with low- or net-zero carbon fuels can make a substantial contribution to CO2 net emissions savings in the transport sector by enhancing climate neutral mobility.

***How are principal adverse impacts on sustainability factors taken into account?***

Upon investment and over the life of the product, we assess and monitor indicators that are deemed to indicate the presence of a principal adverse impact as per EU law, as far as we are able to collect data. We address adverse impacts by reducing or completely sell the exposure to investee companies which score below average on the principal adverse impact indicators, and which do not manage to improve on these indicators. When the Aums of the fund will increase above EUR 50 million, we intend to delegate voting rights to proxy voting companies.

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

It is the purpose of the fund to only invest in investee companies which respect business and human rights and adhere to international norms and laws. All assets in the fund are screened versus some qualitative indicators such as the presence of policies on environmental issues, business ethics and human rights and which aim to respect international norms and regulation as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In that respect, strong governance principles are key which is why the fund supports an independent, diverse board of directors and prefers that key committees such as audit, nominating and compensation committees be comprised of independent directors.

***How are investments excluded that significantly harm sustainable investments objectives?***

All investments qualifying as sustainable (5%) are screened against all relevant significant harm indicators under the EU Taxonomy.

***Can I find more product specific information online?***

More product-specific information can be found on the website [www.mfpfunds.com](http://www.mfpfunds.com).