MULTIFLEX SICAV

CARNOT EFFICIENT ENERGY FUND

A Subfund of the MULTIFLEX SICAV (the "**Company**"), established by GAM (Luxembourg) S.A.

SPECIAL PART A: 1 FEBRUARY 2023

This Special Part of the Prospectus supplements the General Part with regard to the Subfund MULTIFLEX SICAV – CARNOT EFFICIENT ENERGY FUND (hereinafter referred to as "CARNOT EFFICIENT ENERGY FUND" or "Subfund").

The following provisions must be read in conjunction with the corresponding provisions in the General Part of the Prospectus.

Contents

Special Part A:

1. Initial Issue of Shares

The initial issue period during which Shares in the MULTIFLEX SICAV – CARNOT EFFICIENT ENERGY FUND (“**CARNOT EFFICIENT ENERGY FUND**“, “**Subfund**”) could be subscribed took place from 5 to 15 November 2007, at an initial issue price of CHF 1000 per Share.

At the time of the initial issue of the Shares, the CARNOT EFFICIENT ENERGY FUND, as all other subfunds of the Company, was organised as a specialised investment fund (SIF) pursuant to the Luxembourg law of 13 February 2007 on specialised investment funds, as amended. Subsequently, in February 2015, the Company was converted into an undertaking for collective investment in transferable securities (UCITS) pursuant to the 2010 Law (as defined in the General Part of the Prospectus).

2. Investment Objectives and Investment Policy of the CARNOT EFFICIENT ENERGY FUND

The investment objective of the Company in relation to the MULTIFLEX SICAV - CARNOT EFFICIENT ENERGY FUND is to achieve long term capital appreciation through the investment of at least two thirds of its assets in a portfolio of carefully selected shares, which are listed on a stock-exchange or dealt on another Regulated Market or Multilateral Trading Facility (“MTF”) worldwide (including Emerging Markets) and other equity securities and rights of companies with energy-efficient products and technologies or of companies whose main activity consists of owing shareholdings in such companies or financing such companies.

The investment universe of the CARNOT EFFICIENT ENERGY FUND comprises all companies which develop, devise, promote, utilise, market and/or sell products, services, technologies, methods or processes eligible to reduce energy consumption and polluting emissions directly or indirectly. The universe includes predominantly but not exclusively companies that supply products and services in the sectors of building equipment, process and other industrial technology, power generation, infrastructure, emissions reduction, rail and ship transport and automotive industry. The Investment Manager will make a sustainability analysis on each investment following the “Sustainable Development Goals” set by the United Nations General Assembly. Each analysis is documented according to the Investment Manager’s impact investing process.

Further disclosures on sustainability

Further to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR), certain additional disclosures must be made with respect to the Subfund’s sustainable investment objective which is set out above.

The Subfund has sustainable investment as its objective such that it is an environmentally friendly investment vehicle as per article 9 of the SFDR. The Subfund’s objective is to invest in companies with sustainable economic activities that substantially contribute to climate change mitigation.

In identifying investments which allow the Subfund to pursue its sustainable investment objective, the Investment Manager adopts the following strategies:

The Investment Manager screens for companies that offer products and services enabling the transition to a climate-neutral economy, primarily by improving the energy efficiency. This includes activities that are not climate-neutral but correspond to the best performance standard in the industry. As set out in the Investment Objectives and Investment Policy above, the manager compiles an investment universe of companies which develop, devise, promote, utilise, market and/or sell products, services, technologies, methods or processes eligible to reduce energy consumption and polluting emissions directly or indirectly. The universe includes predominantly but not exclusively companies that supply products and services in the sectors of building equipment, process and other industrial technology, power generation, infrastructure, emissions reduction, rail and ship transport and automotive industry.

The Investment Manager makes a sustainability analysis on each investment following the “Sustainable Development Goals” set by the United Nations General Assembly. Each analysis is documented according to the Investment Manager’s impact investing process. The analysis and the documentation include the share of turnover, R & D expenses and the contribution to climate change mitigation of the relevant activities (positive impact).

The analysis also ensures that a company’s activities do not significantly harm environmental objectives (negative impact).

If the adverse effects out-weigh the positive effects from the climate change mitigation, the company is not eligible for investment by the Subfund. Companies are excluded from the investment universe if sales with nuclear technology, defence technology and other controversial activities surpass a defined threshold (exclusion list).

Companies active in the production and transport of fossil fuels are excluded. The activity analysis is performed with the help of leading external research providers. The investment manager follows procedures to ensure that minimum safeguards regarding human rights and other minimum standards set out by the OECD, UNO and ILO are respected. The analysis is carried out by the investment manager with the support of leading external research providers. Engagement is casted by (proxy) votes directly or via dedicated voting providers (ESG incorporation).

The Investment Manager implements this strategy on a continuous basis through the regular analysis of the companies’ activities and offerings. The analysis is performed on the basis of published sustainability reports, through the direct contact with the companies, and with the help of external research providers. These results relate the greenhouse gas emission reduction to the objectives of the UN Sustainable Development Goals (SDGs). Further detailed analysis assesses the impact of the investment companies according to specified criteria and quantifies the impacts within a range from 0 to 3. The results of the analysis are mapped along portfolio holdings and the addressed SDGs This Impact Heatmap an Impact Ranking List reveal the quality and the contributions to the SDGs. An Impact Report presents the results of the five process steps in which the positive (minus the negative) effects are reflected.

The environmental characteristics and objectives of the Subfund, the description of the methodologies used to assess, measure and monitor the impact of the investments can be found on the website of the investment manager www.carnotcapital.com. The strategy and the aggregated impact analysis of the investments are published on this website.

The Subfund does not use a designated reference benchmark to determine whether the sustainability objectives are met because the Subfund has a narrow investment focus and has only little overlap with any market benchmarks. The achievement of the objectives is ensured by the investment process and the impact analysis described above. However, the Investment Manager does disclose comparative figures from independent research providers that compare the Subfund to broad market indices in terms of carbon footprint, controversial activities and sustainability ratings.

Further information related to the environmental characteristics promoted by the Subfund is available in the annex to this Special Part A.

Up to one third of the assets of the CARNOT EFFICIENT ENERGY FUND may also be invested in the following assets: (i) shares and other equity securities of other companies; (ii) money market instruments; (iii) derivatives on shares and other equity securities; (iv) structured products on shares and other equity (in total up to a maximum of 20% of assets); (v) fixed-interest or floating-rate securities, convertible bonds and bonds with warrants attached; (vi) units of other UCITS and/or UCI, including exchange traded funds (in total up to a maximum of 10% of the assets).

Ancillary liquid assets may amount to up to 20% of the total assets of the Subfund. Such ancillary liquid assets shall be limited to bank deposits at sight, such as cash held in the Subfund's current bank accounts and accessible at any time. The 20% limit may only be breached temporarily for a period of time strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require (circumstances such as wars, terrorist attacks, health crises or other similar events) and where such breach is justified having regard to the best interests of the investors.

The Subfund can invest for treasury purposes in liquid assets, meaning money market instruments and money market funds as well as deposits repayable on demand, as defined in section 5 of the General Part. Notwithstanding any provision to the contrary in the Prospectus or the abovementioned limits, the Subfund invests, in accordance with its investment policy, continuously at least 51% of the net assets of the Subfund in qualified shares so as to qualify as equity fund within the meaning of the German Investment Tax Act 2018 ("GITA") (as amended) for as long as this is required. In doing so, the actual capital participation rates (within the meaning of the GITA) of target investment funds can be taken into account.

The CARNOT EFFICIENT ENERGY FUND is denominated in CHF. The investments may be denominated in CHF or in other currencies. Foreign currency risks may be fully or partially hedged versus the CHF. A depreciation caused by exchange rate fluctuations cannot be ruled out.

Investments in derivatives may entail higher risks, particularly due to higher volatility. If a derivative is embedded in a transferable security, it must be taken into account when applying the investment restrictions and for the purposes of risk monitoring.

The CARNOT EFFICIENT ENERGY FUND may also acquire investments which are either issued by issuers from so-called emerging market countries and/or which are denominated in or economically linked to currencies of emerging market countries. The term "emerging markets" generally means markets in countries currently developing into modern industrialised countries, and which therefore exhibit high potential but also increased risk. In particular, these include the countries listed in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. As regards investments in emerging markets countries, the section "Information regarding investments in Emerging Market Countries" below should be considered.

The Company makes every effort to achieve its investment objectives with regard to the Subfund. However, no guarantee can be given that the investment objectives will actually be achieved. As a result, the net asset value of the Shares may become greater or smaller, and different levels of positive as well as negative income may be earned.

3. Sustainability risks

The market value of underlying investments of the Subfund are subject to sustainability risks as described in the section 7 "Sustainability" of the General Part of the Prospectus. As the Subfund is an equity fund, and even when it has a clear sustainable investment objective, equities in general are deemed to be subject to higher level sustainability risks than for example investments in corporate or government bonds. The Subfund employs a wide selection of different instruments and techniques in order to meet its investment objective. The sustainability risks will vary depending on the composition of the portfolio from time to time.

The sustainability risk assessment is integrated to the investment decisions of the Investment Manager and shall be carried out at least periodically throughout the life-time of such investment. In addition to asset level considerations, the Investment Manager may make sustainability risk assessments on an asset-type level when making allocation decisions between different types of assets. What is set out in section 13 "Risk Considerations" below about increased risk of investing in emerging market countries is also applicable to sustainability risks. Also, the availability of sustainability related data in emerging market countries may be poorer than in developed countries.

For the purposes of the sustainability risk assessment, the Investment Manager may use any sustainability information available such as publicly available reports of invested companies, other publicly available data (such as credit ratings) and data made and distributed by external data vendors.

As detailed in Section 2 "Investment Objectives and Investment Policy of the CARNOT EFFICIENT ENERGY FUND", the Subfund's objective is to invest in companies with sustainable economic activities that substantially contribute to climate change mitigation. According to the assessment of the Investment Manager, all investee companies fulfil this objective. The Investment Manager's analysis and documentation described in section 2 above results in a 67% share of activities that are in environmentally sustainable economic activities and that are as such aligned with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ("**Taxonomy Regulation**"). These activities contribute in themselves to the environmental objective of climate change mitigation or are activities that enable other activities to make a substantial contribution to such objective. The assessment by the Investment Manager of activities aligned with the Taxonomy Regulation follows a proprietary model that is not identical with the classification set out by the Taxonomy Regulation but that is very similar. As soon as sufficient standardized data becomes available in the market and the Company has implemented the respective data feed, further disclosures will be made that are based on a classification as per the criteria set out by the Taxonomy Regulation.

4. Investor Profile

This Subfund is suitable only for investors who have experience in equity investments, an in-depth knowledge of the capital markets and who wish to take specific advantage of the market performance in specialised markets and who are familiar with the specific opportunities and risks of these market segments. Investors must expect fluctuations in the value of the investments, which may temporarily even lead to very substantial losses of value. The Subfund may be used as a supplementary investment within a widely diversified overall portfolio.

5. The Investment Manager

The Company has appointed Carnot Capital AG as investment manager ("**Investment Manager**"). Carnot Capital AG was established in 2007. It is established as a Swiss public limited company registered in Switzerland with its registered office at Lindenhofweg 4, Bäch, Switzerland. Carnot Capital AG qualifies as an asset manager of collective investments schemes within the meaning of the Swiss Collective Investment Scheme Act and as such is supervised by the Swiss Financial Market Supervisory Authority (FINMA).

The Investment Manager will provide discretionary investment management services, in accordance with the investment objectives, investment policy and investment limits of the Company and the Subfund. It shall act under the supervision of the Board of Directors and/or the supervisory body or bodies appointed by the Board of Directors.

The Investment Manager may seek the support of investment advisers or sub-investment managers with the Company's consent.

6. Valuation Day

The net asset value of the Subfund is calculated as per any Valuation Day. The Valuation Day for the Subfund will be each banking day in Luxembourg. The valuation will be based on the value of the Subfund's assets on the last preceding banking day (Valuation Point).

Subscriptions and Redemptions will be effected on each Valuation Day.

7. Description of Shares in the CARNOT EFFICIENT ENERGY FUND

The Subfund may issue the following Share Categories: “A” in CHF and EUR, “D” in CHF and EUR, “D2” in CHF and EUR and “C” in CHF and EUR having the characteristics as specified below.

The Subfund issues shares in registered form only. Fractions of Shares may be issued up to 3 decimal places in accordance with the section “Description of Shares” of the General Part of this Prospectus.

The Share Categories issued by the Subfund shall have the following characteristics:

Share Category	**A**	**C**	**D**	**D2**	**A**	**C**	**D**	**D2**
Currency	CHF	CHF	CHF	CHF	EUR	EUR	EUR	EUR
Swiss Valor		3525067	3525060	49892134		3525069	3525062	49892139
ISIN		LU0330110163	LU0330108852	LU2049584837		LU0330114827	LU0330111302	LU2049585057
Sales charge[1)]	Max. 2%	Max. 3%	Max. 2%	Max. 2%	Max. 2%	Max. 3%	Max. 2%	Max. 2%
Redemption Fee[1)]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Entry Spread[2)]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Exit Spread[2)]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Notice period for redemption[3)]	None	None	None	None	None	None	None	None
	Redemptions are also subject to section 10 "Issue and Redemption of Shares, Cut-Off Times"							
Management Fee p.a. (max.)	1.35%	1.2%	0.9%	0.9%	1.35%	1.2%	0.9%	0.9%
Performance Fee (see also section "Fees and Costs")	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Dividend policy (see also section "Dividend Policy")	Distributing	Capitalizing	Capitalizing	Capitalizing	Distributing	Capitalizing	Capitalizing	Capitalizing
Minimum Subscription	CHF 5 million or investors who have an agreement in writing with Carnot Capital AG	None	None	None	EUR 5 million or investors who have an agreement in writing with Carnot Capital AG	None	None	None
	Subscriptions are subject to section 11 "Issue and Redemption of Shares, Cut-Off Times" and section 13 „Application Procedure"							
Performance Fee & Hurdle Rate	See section 9 "Fees and Costs" below							

[1] in favour of the Distributor;

[2] in favour of the Subfund;

[3] if the final day on which notice may be given is a non-Luxembourg banking day, redemption orders must be placed with the Registrar and Transfer Agent by the last Luxembourg banking day that precedes it. The notice period for redemptions is calculated by reference to the Valuation Day.

"A" Shares are issued to "institutional investors" within the meaning of Article 174 et seq. of the 2010 law.

"C" Shares are issued to all investors.

"D" and "D2"-Shares are issued exclusively to "institutional investors" within the meaning of Article 174 et seq. of the 2010 Law which have signed an asset management or investment advisory agreement with Carnot Capital AG. In case the contractual basis for holding "D" or "D2"-Shares is no longer given, the Company will automatically switch "D"-Shares or "D2" into Shares of another category which are eligible for the shareholder in question, and all provisions regarding the Shares of such other category (including provisions regarding fees and taxes) shall be applicable on such Shares.

With respect to "D2"-shares only, the Management Company and the Company have agreed with the Investment Manager that the Investment Manager may not enter into any agreement where the fees received by it for providing its services to the Company would be shared with a third party due to their distribution or marketing activities. For the avoidance of doubt, companies within the same group of companies and the shareholders of the Investment Manager are not deemed to be third parties for the purposes of this restriction.

8. Dividend Policy

A Shares intend to pay distributions of yearly estimated 3% to 4% of the Share Category's NAV. The payments may but don't have to be split into an income and a capital part. Distributions may happen even if the Subfund's performance in the respective period is negative, irrespective of how negative it is. The Company may in exceptional circumstances reduce or suspend the distribution for a respective period partially or entirely, e.g. to comply with legal requirements, if it is operationally not feasible based on failure of systems, natural disasters and force majeure, or investors agree in writing to do without the payment. The Investment Manager has to keep an accurate level of liquidity and to observe the impact on investment limits.

C, D and D2 Shares do not intend to pay dividends or other distributions to Shareholders out of the Subfund's profits, which are intended to be reinvested, nor is it intended that dividends be paid from any other source, for example share premium or the net of accumulated realised and unrealised capital gains and accumulated realised and unrealised capital losses. Dividends when declared and paid shall be allocated to the relevant category of distributing Shares. The Company reserves the right to change the dividend policy at any time, particularly for tax reasons, in the interests of the investors.

9. Fees and Costs

Management Fee

For the management of the investments of the portfolio a maximum annual Management Fee, as follows, will be charged to the Subfund on the basis of each Share Category's NAV.

- A Shares: max. 1.35%
- C Shares: max. 1.2%
- D Shares: max. 0.9%
- D2 Shares: max. 0.9%

In addition thereto, a fee of up to 0.30% p.a. of the net asset value of the Subfund shall be charged on a monthly basis, covering the services of the depository, administrative agent, principal paying agent and transfer agent.

Performance Fee

In addition to the Management Fee above, the Investment Manager is entitled to receive a performance-related annual fee ("**Performance Fee**") **on C, D, and D2 Shares only** as set out below on the appreciation in the net asset value per relevant Share Category.

The Performance Fee will be calculated and accrued on each Valuation Day and any accrued Performance Fee at the end of the financial year will be crystallised and paid out to the Investment Manager after the end of the financial year. The Performance Fee will be calculated net of all costs.

The performance reference period corresponds to the entire lifecycle of the Subfund (except for special events such as merger or the replacement of the Investment Manager by a new one).

As such, any underperformance or loss previously incurred during the performance reference period against the High Water Mark (as defined below) should be recovered before a Performance Fee becomes payable again.

The Performance Fee is subject to a "High Water Mark" (as the main pre-requisite) and a "Hurdle Rate" (as a secondary pre-requisite).

The Investment Manager is only entitled to receive a Performance Fee if, on the last Valuation Day of the financial year, the NAV per Share is above the High Water Mark ("**Outperformance over the High Water Mark**", expressed in percentage). In addition to it and with the purpose pf protecting the interests of investors, the percentage return of the Share since the beginning of the financial year is to outperform that of the Hurdle Rate ("**Outperformance over the Hurdle Rate**", expressed in percentage). Both conditions must be met.

The Hurdle Rate is set at 5% p.a., and the basis for calculation is the last NAV per Share after deduction of the Performance Fee of the previous financial year.

When the Subfund or, where applicable, a given Share Category is launched, the High Water Mark is identical to the initial issue price. If the NAV per Share on the last Valuation Day of the financial year is above the High Water Mark and a Performance Fee is crystallized, the High Water Mark for the new financial year will be set at the NAV calculated on last Valuation Day of the financial year after deduction of the Performance Fee. In all other cases, the High Water Mark will remain unchanged.

The basis for calculating the Performance Fee for the Share Category will be the "**Daily Outperformance**" which represents the lower of the "Class Outperformance" and the "Class Daily Performance".

The "**Class Outperformance**" of the Share Category corresponds to the lower value between the Outperformance over the High Water Mark and the Outperformance over the Hurdle Rate.

The "**Class Daily Performance**" (expressed in percentage) represents the difference for a Valuation Day between the Class Daily Return and the Hurdle Rate Daily Return whereas:

- Class Daily Return (expressed in percentage) is obtained by dividing the NAV per Share on the Valuation Day by the NAV per Share after deduction of the Performance Fee on the previous Valuation Day.

- Hurdle Rate Daily Return (expressed in percentage) is obtained by determining the return that corresponds to the return of the Hurdle Rate that applies for the Valuation Day.

The amount of the Performance Fee is equal to 10% of the Daily Outperformance and will be obtained by applying the Daily Outperformance to the Reference NAV per Share multiplied by the Performance Fee rate of the Share Category. The Reference NAV corresponds for a Valuation Day to the NAV per Share after deduction of the Performance Fee of the previous Valuation Day multiplied by the number of shares of the respective Share Category in circulation that day.

Consequently, the shares subscribed during the financial year will not automatically contribute to the Performance Fee acquired during the period preceding the subscription. In addition, for shares that are redeemed during the financial year, the existing Performance Fee received during the period preceding the redemption will not be subject to reduction due solely to the effect of the redemption.

The mechanism described above provides potential equity between shareholders and the Investment Manager in the event of capital movements. However, the existing accrued Performance Fee will be crystallized in proportion to the number of shares redeemed (but not be paid to the Investment Manager until the end of the financial year) in case of redemptions received on a Valuation Day for a share class that represent more than 5% of the Subfund's net assets.

The Performance Fee amount is recalculated on each Valuation Day subject to the aforementioned conditions and a reserve is formed for the respective Share Category. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted (up or down) accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The accrued Performance Fee must never be negative.

ACCOUNTING METHOD:

A cumulative positive provision will be deducted from the calculation of the NAV per Share (daily adjustment method).

As a result, the "NAV per Share" for a given Valuation Day includes the cumulative Accrued Performance Fee from the previous Valuation Day (if any) but not the Performance Fee Accrual from that Valuation Day (that latter corresponds to the "NAV per Share after deduction of the Performance Fee").

The Performance Fee, calculated according to the aforementioned conditions, will be paid to the Investment Manager within four months after the end of the financial year of the Company.

Calculation of Performance Fee is based on STOXX Europe 600. STOXX Europe 600 is a benchmark pursuant to the Regulation (EU) 2016/1011 (EU Benchmark Regulation). The registration of the benchmark and of the administrator, STOXX, who provides the benchmark, has been made in the ESMA-Register referred to in art. 36 of the EU Benchmark Regulation.

The Company has established robust written plans outlining the measures it would take if the benchmarks were to change significantly or if it were no longer available. The relevant guidelines of the GAM Group are available at *www.funds.gam.com*.

For the avoidance of doubt, A Shares are without Performance Fee.

Calculation example 1

In the following example, the High Water Mark (referred as "**HWM**") and Hurdle Rate are set at 100.00 and 5.00% p.a. respectively at Valuation Point A.

Valuation Point C is the end of the financial year. Performance Fee rate is 10%.

Gross Asset Value represents total net assets excluding accrued Performance Fee and crystallized Performance Fee.

Assets before deduction of Performance Fee represent total net assets excluding accrued Performance Fee only.

Valuation Point	Number of Outstanding Shares	Gross Asset Value	Assets before deduction of Performance Fee	NAV per Share before deduction of Performance Fee	HWM	Hurdle Rate	Accrued Performance Fee	NAV per Share after deduction of the Performance Fee
A	1,000.00	100,000.00	100,000.00	100.00	100.00	5.00%	0.00	100.00
B	1,000.00	100,200.00	100,200.00	100.20	100.00	5.00%	18,64	100.18
C	1,000.00	101,100.00	100,081.36*	100.08	100,00	5.00%	7.28	100.09

* *An accrued Performance Fee of 18.64 from Valuation Point B is deducted*

An investor buys 1,000.00 shares and the number of Outstanding Shares is 1,000.00 at Valuation Point A.

Valuation Point B

1 - Entitlement to a Performance Fee and Class Outperformance

At Valuation Point B, entitlement to a Performance Fee is verified. NAV per Share is 100.20

Outperformance over the HWM	Outperformance over the Hurdle Rate	Class Outperformance
(NAV per Share divided by HWM) -1 (100.20/100.00) -1 = 0.20%	*NAV per Share divided by Hurdle Rate-adjusted NAV per Share since beginning of the financial year*	*Minimum (Outperformance over the HWM, Outperformance over the Hurdle Rate)* Minimum (0.20%,0.1864%)

	Daily Hurdle Rate incremental is ((1+Hurdle Rate)^(1/365)-1) x 1 day ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136% *Hurdle Rate-adjusted NAV per Share since beginning of the financial year* (1+0.0136%) x 100.00 = 100.0136 *Outperformance over the Hurdle Rate is NAV per Share divided by Hurdle Rate-adjusted NAV per Share* (100.20/100.0136)-1) = 0.1864%	
Outperformance over the HWM is 0.20%.	Outperformance over the Hurdle Rate is 0.1864%	Class Outperformance is 0.1864%

At Valuation Point B, conditions with Outperformance over the HWM and Outperformance over the Hurdle Rate are met. Performance Fee can be accrued.

2 - Computation of Class Daily Performance
At Valuation Point B, components for NAV per Share and Hurdle Rate variation (daily return in percentage) are calculated.

Class Daily Return	Hurdle Rate Daily Return	Class Daily Performance
*Performance of NAV per Share against previous NAV per Share after deduction of Performance Fee (*100.20/100.00) -1 = 0.20%	*Daily Hurdle Rate incremental ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136%	*Difference between Class Daily Return and Hurdle Rate Daily Return* 0.20% - 0.0136% = 0.1864%
Class Daily Return is 0.20%.	Hurdle Rate Daily Return is 0.0136%	Class Daily Performance is 0.1864%

3 - Daily Outperformance, Reference NAV, Performance Fee Accrual and Accrued Performance Fee
At Valuation Point B, Daily Outperformance is determined in order to calculate Performance Fee Accrual.

Daily Outperformance	Reference NAV	Performance Fee Accrual
Minimum (Class Outperformance, Class Daily Performance) Minimum (0.1864%,0.1864%)	*Previous NAV per Share after deduction of Performance Fee multiplied by the current number of outstanding shares* 100.00 x 1,000.00 shares = 100,000.00	*Daily Outperformance applied to Reference NAV and multiplied by the Performance Fee Rate* 0.1864% -x 100,000,00 x 10% =18.64
Daily Outperformance is 0.1864%.	Reference NAV is 100,000.00	Performance Fee Accrual is 18.64

Accrued Performance Fee	NAV per Share after deduction of the Performance Fee
Accrued Performance Fee from previous Valuation Day adjusted by Performance Fee Accrual 0.00 + 18.64 =18.64	*Gross Asset value with Accrued Performance Fee deducted and the whole divided by the number of Outstanding Shares* (100,200.00–18.64) / 1,000.00 shares = 100.1813
Accrued Performance Fee is 18.64	Final NAV per Share is 100.1813

Valuation Point C
1 - Entitlement to a Performance Fee and Class Outperformance
At Valuation Point C, entitlement to a Performance Fee is verified. NAV per Share is 100.08

Outperformance over the HWM	Outperformance over the Hurdle Rate	Class Outperformance
(NAV per Share divided by HWM) -1 (100.08/100.00) -1 = 0.08%	*NAV per Share divided by Hurdle Rate-adjusted NAV per Share since beginning of the financial year* *Daily Hurdle Rate incremental is ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136% *Hurdle Rate-adjusted NAV per Share since beginning of the financial year* (1+0.0136%) x 100.0136 = 100.0271 *Outperformance over the Hurdle Rate is NAV per Share divided by Hurdle Rate-adjusted NAV per Share* (100.08/100.0271)-1) = 0.0528%	*Minimum (Outperformance over the HWM, Outperformance over the Hurdle Rate)* Minimum (0.08%,0.0528%)
Outperformance over the HWM is 0.08%.	Outperformance over the Hurdle Rate is 0.0528%	Class Outperformance is 0.0528%

At Valuation Point B, conditions with Outperformance over the HWM and Outperformance over the Hurdle Rate are met. Performance Fee can be accrued.

2 - Computation of Class Daily Performance
At Valuation Point C, components for NAV per Share and Hurdle Rate variation (daily return in percentage) are calculated.

Class Daily Return	Hurdle Rate Daily Return	Class Daily Performance
*Performance of NAV per Share against previous NAV per Share after deduction of Performance Fee (*100.08/100.18) -1 = -0.0998%	*Daily Hurdle Rate incremental ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136%	*Difference between Class Daily Return and Hurdle Rate Daily Return* -0.10% - 0.0136% = -0.1133%
Class Daily Return is -0.0998%.	Hurdle Rate Daily Return is 0.0136%	Class Daily Performance is -0.1133%

3 - Daily Outperformance, Reference NAV, Performance Fee Accrual and Accrued Performance Fee
At Valuation Point C, Daily Outperformance is determined in order to calculate Performance Fee Accrual.

Daily Outperformance	Reference NAV	Performance Fee Accrual
Minimum (Class Outperformance, Class Daily Performance) Minimum (0.0528%,-0.1133%)	*Previous NAV per Share after deduction of Performance Fee multiplied by the current number of outstanding shares* 100.18 x 1,000.00 shares = 100,181.36	*Daily Outperformance applied to Reference NAV and multiplied by the Performance Fee Rate* -0.1133% x 100,181.36 x 10% =-11.36
Daily Outperformance is -0.1133%.	Reference NAV is 100,181.36	Performance Fee Accrual is -11.36

Accrued Performance Fee	NAV per Share after deduction of the Performance Fee
Accrued Performance Fee from previous Valuation Day adjusted by Performance Fee Accrual 18.64 + (-11.36) =7.28	*Gross Asset Value with Accrued Performance Fee deducted and the whole divided by the number of Outstanding Shares* (100,100.00–18.64) / 1,000.00 shares = 100.0927
Accrued Performance Fee is 7.28	Final NAV per Share is 100.0927

NAV per share after deduction of the Performance Fee is 100.0927
A Performance Fee of 7.28 is crystallized.
The HWM for the next financial year is 100.0927

<u>Calculation example 2</u>
In the following example, the High Water Mark (referred as "**HWM**") and Hurdle Rate are set at 100.00 and 5.00% p.a. respectively at Valuation Point A.
Valuation Point C is the end of the financial year. Performance Fee rate is 10%.
Gross Asset Value represents total net assets excluding accrued Performance Fee and crystallized Performance Fee.
Assets before deduction of Performance Fee represent total net assets excluding accrued Performance Fee only.

Valuation Point	Number of Outstanding Shares	Gross Asset Value	Assets before deduction of Performance Fee	NAV per Share before deduction of Performance Fee	HWM	Hurdle Rate	Accrued Performance Fee	NAV per Share after deduction of the Performance Fee
A	1,000.00	100,000.00	100,000.00	100.00	100.00	5.00%	0.00	100.00
B	1,000.00	100.600.00	100,600.00	100.60	100.00	5.00%	58.63	100.54
C	1,500.00	150,900.00	150,841.37*	100.56	100,00	5.00%	59.52	100.56

* *An accrued Performance Fee of 58.63 from Valuation Point B is deducted*

An investor buys 1,000.00 shares and the number of Outstanding Shares is 1,000.00 at Valuation Point A.

Valuation Point B
1 - Entitlement to a Performance Fee and Class Outperformance
At Valuation Point B, entitlement to a Performance Fee is verified. NAV per Share is 100.60

Outperformance over the HWM	Outperformance over the Hurdle Rate	Class Outperformance
(NAV per Share divided by HWM) -1 (100.60/100.00) -1 = 0.60%	*NAV per Share divided by Hurdle Rate-adjusted NAV per Share since beginning of the financial year* *Daily Hurdle Rate incremental is ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136%	*Minimum (Outperformance over the HWM, Outperformance over the Hurdle Rate)* Minimum (0.60%,0.5863%)

	Hurdle Rate-adjusted NAV per Share since beginning of the financial year (1+0.0136%) x 100.00 = 100.0136 *Outperformance over the Hurdle Rate is NAV per Share divided by Hurdle Rate-adjusted NAV per Share* (100.60/100.0136)-1) = 0.5863%	
Outperformance over the HWM is 0.60%.	Outperformance over the Hurdle Rate is 0.5863%	Class Outperformance is 0.5863%

At Valuation Point B, conditions with Outperformance over the HWM and Outperformance over the Hurdle Rate are met. Performance Fee can be accrued.

2 - Computation of Class Daily Performance
At Valuation Point B, components for NAV per Share and Hurdle Rate variation (daily return in percentage) are calculated.

Class Daily Return	Hurdle Rate Daily Return	Class Daily Performance
*Performance of NAV per Share against previous NAV per Share after deduction of Performance Fee (*100.60/100.00) -1 = 0.60%	*Daily Hurdle Rate incremental ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136%	*Difference between Class Daily Return and Hurdle Rate Daily Return* 0.60% - 0.0136% = 0.5863%
Class Daily Return is 0.60%.	Hurdle Rate Daily Return is 0.0136%	Class Daily Performance is 0.5863%

3 - Daily Outperformance, Reference NAV, Performance Fee Accrual and Accrued Performance Fee
At Valuation Point B, Daily Outperformance is determined in order to calculate Performance Fee Accrual.

Daily Outperformance	Reference NAV	Performance Fee Accrual
Minimum (Class Outperformance, Class Daily Performance) Minimum (0.5863%,0.5863%)	*Previous NAV per Share after deduction of Performance Fee multiplied by the current number of outstanding shares* 100.00 x 1,000.00 shares = 100,000.00	*Daily Outperformance applied to Reference NAV and multiplied by the Performance Fee Rate* 0.5863% -x 100,000,00 x 10% =58.63
Daily Outperformance is 0.5863%.	Reference NAV is 100,000.00	Performance Fee Accrual is 58.63

Accrued Performance Fee	NAV per Share after deduction of the Performance Fee
Accrued Performance Fee from previous Valuation Day adjusted by Performance Fee Accrual 0.00 + 58,63 =58.63	*Gross Asset value with Accrued Performance Fee deducted and the whole divided by the number of Outstanding Shares* (100,600.00–58.63) / 1,000.00 shares = 100.5413
Accrued Performance Fee is 58.63	Final NAV per Share is 100.5413

Valuation Point C
An investor buys 500.00 shares and the number of Outstanding Shares is 1,500.00 at Valuation Point C.

1 - Entitlement to a Performance Fee and Class Outperformance
At Valuation Point C, entitlement to a Performance Fee is verified. NAV per Share is 100.56

Outperformance over the HWM	Outperformance over the Hurdle Rate	Class Outperformance
(NAV per Share divided by HWM) -1 (100.56/100.00) -1 = 0.56%	*NAV per Share divided by Hurdle Rate-adjusted NAV per Share since beginning of the financial year* *Daily Hurdle Rate incremental is ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136% *Hurdle Rate-adjusted NAV per Share since beginning of the financial year* (1+0.0136%) x 100.0136 = 100.0271 *Outperformance over the Hurdle Rate is NAV per Share divided by Hurdle Rate-adjusted NAV per Share* (100.56/100.0271)-1) = 0.5327%	*Minimum (Outperformance over the HWM, Outperformance over the Hurdle Rate)* Minimum (0.56%,0.5327%)
Outperformance over the HWM is 0.56%.	Outperformance over the Hurdle Rate is 0.5327%	Class Outperformance is 0.5327%

At Valuation Point B, conditions with Outperformance over the HWM and Outperformance over the Hurdle Rate are not met. No Performance Fee can be accrued.

2 - Computation of Class Daily Performance
At Valuation Point C, components for NAV per Share and Hurdle Rate variation (daily return in percentage) are calculated.

Class Daily Return	Hurdle Rate Daily Return	Class Daily Performance
*Performance of NAV per Share against previous NAV per Share after deduction of Performance Fee (*100.56/100.5413) -1 = 0.0194%	*Daily Hurdle Rate incremental ((1+Hurdle Rate)^(1/365)-1) x 1 day* ((1+5.00%)^(1/365)-1) x 1 Day = 0.0136%	*Difference between Class Daily Return and Hurdle Rate Daily Return* 0.0194% - 0.0136% = 0.0059%
Class Daily Return is 0.0194%.	Hurdle Rate Daily Return is 0.0136%	Class Daily Performance is 0.0059%

3 - Daily Outperformance, Reference NAV, Performance Fee Accrual and Accrued Performance Fee
At Valuation Point C, Daily Outperformance is determined in order to calculate Performance Fee Accrual.

Daily Outperformance	Reference NAV	Performance Fee Accrual
Minimum (Class Outperformance, Class Daily Performance) Minimum (0.5327%,0.0059%)	*Previous NAV per Share after deduction of Performance Fee multiplied by the current number of outstanding shares* 100.5413 x 1,500.00 shares = 150,812.04	*Daily Outperformance applied to Reference NAV and multiplied by the Performance Fee Rate* 0.0059% x 150,812.04 x 10% =0.89
Daily Outperformance is 0.0059%.	Reference NAV is 150,812.04	Performance Fee Accrual is 0.89

Accrued Performance Fee	NAV per Share after deduction of the Performance Fee
Accrued Performance Fee from previous Valuation Day adjusted by Performance Fee Accrual 58,63 + (0.89) =59.52	*Gross Asset Value with Accrued Performance Fee deducted and the whole divided by the number of Outstanding Shares* (150,900.00–59.52) / 1,500.00 shares = 100.5603
Accrued Performance Fee is 59.52	Final NAV per Share is 100.5603

NAV per share after deduction of the Performance Fee is 100.5603.
A Performance Fee of 59.52 is crystallized.
The HWM for the next financial year is 100.5603.

10. Issue and Redemption of Shares, Cut-Off Times

Issue

Shares in the Subfund are offered for subscription daily on each Valuation Day (as set out in section 6 "Valuation Day" above). The Company (to the attention of the Registrar and Transfer Agent) must receive applications for subscriptions of Shares no later than 11.00 am Central European Time ("**CET**") ("**Cut-off Time**") 1 (one) Luxembourg banking day prior to the relevant Valuation Day ("**Subscription Time Limit**").

Subject to this requirement, Shares will be issued at an Issue Price based on the net asset value per Share on the applicable Valuation Day, rounded up or down to two decimal places. A sales charge of a maximum of 3% may be applied, as described for each Share Category in the table in section 7 above. Subscriptions received after this time will be dealt with on the following Valuation Day at the Issue Price calculated on such Valuation Day.

Redemption

Shares in the Subfund may be redeemed daily on each Valuation Day (as set out in section 6 "Valuation Day" above). Applications to redeem Shares must be received by the Company (to the attention of the Registrar and Transfer Agent) no later than 11.00 am CET ("**Cut-off Time**") 1 (one) Luxembourg banking day prior to the relevant Valuation Day ("**Redemption Time Limit**")..

Subject to this requirement, Shares will be redeemed at a Redemption Price based on the net asset value per Share on the applicable Valuation Day rounded up or down to two decimal places, plus any applicable redemption fee. Redemptions received after the relevant Cut-off Time of the relevant Redemption Time Limit will be dealt with on the following applicable Valuation Day at the Redemption Price calculated on such Valuation Day.

The total amount of the redemption proceeds will generally be paid out within three (3) banking days after the calculation of the Net Asset Value but in normal circumstances not later than 30 business days in Luxembourg following the relevant Valuation Day.

Readers are urged to read the provisions in the General Part of this Prospectus (cf. the section "General Information on the Issue, Redemption and Switching of Shares").

The Company is authorised to defer redemptions to the extent that the amount of the redemption requests on one Valuation Day exceeds 10% of the outstanding Shares of the Subfund. The Board of Directors of the Company will try not to defer the redemption requests (except in extraordinary circumstances) for more than two Valuation Days.

11. Switching Shares

Shares in the Subfund may be switched for Shares in other Subfunds of the Company for which such switch is allowed, upon a payment of a switching fee of a maximum of 2% of the net asset value of said Shares. No switching fee will be levied in the case of a switch into another Subfund for which Carnot Capital AG acts as investment manager.

12. Application Procedure

Investors may subscribe to Shares in the Subfund directly with the Registrar and Transfer Agent or, as the case may be, with a Distributor, on any Valuation Day (as more fully set out in section 6 above "Valuation Day").

The total amount of the subscription amount must be credited to the currency account indicated in the General Part of this Prospectus within 3 (three) banking days after the relevant Valuation Day. Payment in cash must be made by wire transfer in the currency of applicable Share Category. Where payments are tendered by a subscriber or requested in a currency other than that in which the Shares concerned are designated, the necessary foreign exchange transactions are arranged for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant payment date.

Shares will be in registered form and share certificates will not be issued.

The Company and the Management Company reserve the right to reject any application for Shares in whole or in part for any reason. If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest) in the same currency in which the application monies for such Shares were received by telegraphic transfer to the account from which funds were received at the discretion of the Company and the Management Company and at the expense and risk of the applicant.

13. Risk Considerations

Emerging markets

Emerging markets are markets in countries that are currently developing into modern industrial states. As a result, they exhibit high potential but also increased risk. Risks include the following:

a) Potentially low or non-existent trading volumes in the securities on the securities market potentially leading to liquidity bottlenecks and comparatively wide price fluctuations.

b) Uncertain political, economic and social conditions and the inherent risks of expropriation or confiscation, the risk of extraordinarily high inflation rates, prohibitive tax measures and other negative developments.

c) Potentially sizeable fluctuations in the currency exchange rate, differences in legal systems, existing or potential currency export controls, customs or other constraints and any laws or other restrictions applied to investments.

d) Political or other events limiting investment opportunities for the Subfund, e.g. constraints affecting issuers or industries regarded as sensitive within the context of national interests.

e) Nonexistence of adequately developed legal structures for private or foreign investments and a possible threat to private ownership.

f) Risks relating to the settlement of securities transactions, i.e., the risk of the securities not being delivered, or being delivered late, despite payment having been made by the Subfund.

g) Securities being counterfeited or stolen.

f) The introduction of currency controls.

14. Annex - pre-contractual disclosure for the financial products referred to in article 9, paragraphs 1 to 4a, of regulation (EU) 2019/2088 and article 5, first paragraph, of regulation (EU) 2020/852

Annex III

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Multiflex SICAV – Carnot Efficient Energy Fund

Legal entity identifier: 549300GLQDLA4DH7VT96

Sustainable investment objective

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

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

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** ~~80~~ 100 %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** 0 %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The product has sustainable investment as its objective such that it is an environmentally friendly investment vehicle as per article 9 of the SFDR. The product's sustainable investment objective is to invest in companies with sustainable economic activities that offer products and services enabling the transition to a climate-neutral economy, primarily by improving the energy efficiency, so as to reach the financial products overall sustainable investment objective of substantially contributing to climate change mitigation. The investment universe includes predominantly companies in the sectors of building equipment, process and other industrial technology, power generation, emissions reduction, rail and ship transport and automotive industry. These companies develop, produce, sell or service products that can reduce energy consumption and avoid greenhouse gas emissions. Key technologies are fossil-free heating systems such as heat pumps, intelligent ventilation systems, smart building control technology, heat exchangers, sensor technology for industrial processes, renewable energy generation technologies such as hydropower, biomass, wind and solar power, power grid management technology, power storage technologies, rail vehicles and battery-powered vehicles.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product ?***

The manager compiles an investment universe of companies which develop, devise, promote, utilise, market and/or sell products, services, technologies, methods or processes eligible to reduce energy consumption and polluting emissions directly or indirectly. The universe includes predominantly but not exclusively companies that supply products and services in the sectors of building equipment, process and other industrial technology, power generation, infrastructure, emissions reduction, rail and ship transport and automotive industry. The investment manager makes a sustainability analysis on each investment following the "Sustainable Development Goals" set by the United Nations General Assembly. Each analysis is documented according to the investment manager's impact investing process. The analysis and the documentation include the share of turnover and the economic benefit of the sustainable activities, R&D expenses and the contribution to climate change mitigation of the relevant activities (positive impact).

- ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

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

The analysis also ensures that a company's activities do not significantly harm environmental objectives (negative impact). If the adverse effects outweigh the positive effects from the climate change mitigation, the company is not eligible for investment by the product. Companies are excluded from the investment universe if sales with nuclear technology, defence technology and other controversial activities surpass a defined threshold (exclusion list).

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

Companies active in the production and transport of fossil fuels are excluded. The activity analysis is performed with the help of leading external research providers.

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

The investment manager follows procedures to ensure that minimum safeguards regarding human rights and other minimum standards set out by the OECD, UNO and ILO are respected. The analysis is carried out by the investment manager with the support of leading external research providers. Engagement is casted by (proxy) votes directly or via dedicated voting providers (ESG incorporation).

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

☒ Yes

If the adverse effects out-weigh the positive effects from the climate change mitigation, the company is not eligible for investment by the product. Companies are excluded from the investment universe if sales with nuclear technology, defence technology and other controversial activities surpass a defined threshold (exclusion list). Detailed information is available on the website of the investment manager, www.carnotcapital.com.

☐ No

What investment strategy does this financial product follow?

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

If the adverse effects out-weigh the positive effects from the climate change mitigation, the company is not eligible for investment by the Subfund. Companies are excluded from the investment universe if sales with nuclear technology, defence technology and other controversial activities surpass a defined threshold (exclusion list).

Companies active in the production and transport of fossil fuels are excluded. The activity analysis is performed with the help of leading external research providers. The investment manager follows procedures to ensure that minimum safeguards regarding human rights and other minimum standards set out by the OECD, UNO and ILO are respected. The analysis is carried out by the investment manager with the support of leading external research providers. Engagement is casted by (proxy) votes directly or via dedicated voting providers (ESG incorporation).

The investment manager implements this strategy on a continuous basis through the regular analysis of the companies' activities and offerings. The analysis is performed on the basis of published sustainability reports, through the direct contact with the companies, and with the help of external research providers. These results relate the greenhouse gas emission reduction to the objectives of the UN Sustainable Development Goals (SDGs). Further detailed analysis assesses the impact of the investment companies according to specified criteria and quantifies the impacts within a range from 0 to 3. The results of the analysis are mapped along portfolio holdings and the addressed SDGs This Impact Heatmap an Impact Ranking List reveal the quality and the contributions to the SDGs. An Impact Report presents the results of the five process steps in which the positive (minus the negative) effects are reflected.

Up to one third of the assets of the product may be invested in the following assets: (i) shares and other equity securities of other companies; (ii) money market instruments; (iii) derivatives on shares and other equity securities; (iv) structured products on shares and other equity (in total up to a maximum of 20% of assets); (v) fixed-interest or floating-rate securities, convertible bonds and bonds with warrants attached; (vi) units of other UCITS and/or UCI, including exchange traded funds (in total up to a maximum of 10% of the assets).

Ancillary liquid assets may amount to up to 20% of the total assets of the Subfund. Such ancillary liquid assets shall be limited to bank deposits at sight, such as cash held in the Subfund's current bank accounts and accessible at any time. The 20% limit may only be breached temporarily for a period of time strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require (circumstances such as wars, terrorist attacks, health crises or other similar events) and where such breach is justified having regard to the best interests of the investors.
The Subfund can invest for treasury purposes in liquid assets, meaning money market instruments and money market funds as well as deposits repayable on demand, as defined in section 5 of the General Part. Notwithstanding any provision to the contrary in the Prospectus or the abovementioned limits, the Subfund invests, in accordance with its investment policy, continuously at least 51% of the net assets of

the Subfund in qualified shares so as to qualify as equity fund within the meaning of the German Investment Tax Act 2018 (“GITA”) (as amended) for as long as this is required. In doing so, the actual capital participation rates (within the meaning of the GITA) of target investment funds can be taken into account. Investments in derivatives may entail higher risks, particularly due to higher volatility. If a derivative is embedded in a transferable security, it must be taken into account when applying the investment restrictions and for the purposes of risk monitoring. The CARNOT EFFICIENT ENERGY FUND may also acquire investments which are either issued by issuers from so-called emerging market countries and/or which are denominated in or economically linked to currencies of emerging market countries. The term “emerging markets” generally means markets in countries currently developing.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The investment manager may only invest in companies that fall within the defined investment universe. The investment universe of the product comprises all companies which develop, devise, promote, utilise, market and/or sell products, services, technologies, methods or processes eligible to reduce energy consumption and polluting emissions directly or indirectly. The universe includes predominantly but not exclusively companies that supply products and services in the sectors of building equipment, process and other industrial technology, power generation, infrastructure, emissions reduction, rail and ship transport and automotive industry. The activities supporting climate change mitigation must have a mimimum value of 20% of the investee’s enterprise value.

In addition, the investment manager will make a sustainability analysis on each investment following the “Sustainable Development Goals” set by the United Nations General Assembly. Each analysis is documented according to the investment manager’s impact investing process. The sustainability analysis is reviewed annually or when relevant news is released. The investment is divested if sustainability principles are violated in a serious manner or if the sustainability score falls below the minimum.

Companies active in the production and transport of fossil fuels are excluded. The activity analysis is performed with the help of leading external research providers. The investment manager follows procedures to ensure that minimum safeguards regarding human rights and other minimum standards set out by the OECD, UNO and ILO are respected. The analysis is carried out by the investment manager with the support of leading external research providers. Engagement is casted by (proxy) votes directly or via dedicated voting providers (ESG incorporation). The investment manager implements this strategy on a continuous basis through the regular analysis of the companies’ activities and offerings. The analysis is performed on the basis of published sustainability reports, through the direct contact with the companies, and with the help of external research providers. These results relate the greenhouse gas emission reduction to the objectives of the UN Sustainable Development Goals (SDGs). Further detailed analysis assesses the impact of the investment companies according to specified criteria and quantifies the impacts within a range from 0 to 3. The results of the analysis are mapped along portfolio holdings and the addressed SDGs This Impact Heatmap an Impact Ranking List reveal the quality and the contributions to the SDGs. An Impact Report presents the results of the five process steps in which the positive (minus the negative) effects are reflected.

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

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

The Engagement policy statement details how Carnot Capital AG approaches shareholder engagement (SE). In particular it explains the rationale, SE objectives, governance structure

and how the policy is implemented.
Carnot Capital considers engagement to be an important element of its investment activities. As an active manager, Carnot Capital generally prefers to engage with the managements of investee companies directly. Carnot Capital does not have a standalone engagement team. It believes in the direct contact between investee company management teams and investment professionals such as portfolio managers and analysts who have the specific expert knowledge and understanding of the context in which the company has been selected as an investment. In addition, the portfolio managers have access to proxy voting and engagement service providers to support them in their engagement activities and decision-making process.
Reasons to engage with an investee company can include:

- business strategy,
- sustainability strategy,
- change in the capital structure,
- remuneration issues,
- identified environmental and social risks as well as
- Investor Relations support concerning SDG-communication.

Engagement includes ongoing communications between the portfolio managers and the management teams of investee companies and can range from ongoing updates and questioning of the current and future business model, to engagement on specific issues that may cover ESG or Impact concerns.

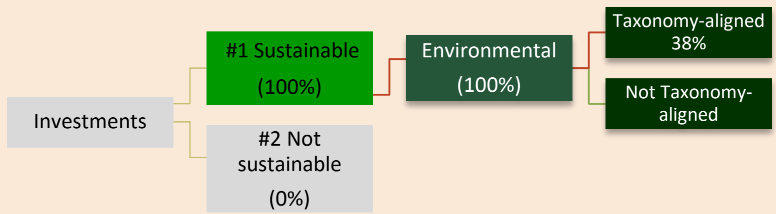
Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The sub-fund holds listed equities and a small cash quota. The share of sustainable companies in the portfolio is 100%. While the aim is for the sub-fund's portfolio to be 100% invested in sustainable investments as per the SFDR, it cannot be excluded that a residual portion of the sub-fund's portfolio will temporarily be holding ancillary liquid assets for liquidity management purposes. ~~As such residual amount is in any case limited to 20% of the sub-fund's assets, the sub-fund is committed to making at least 80% of sustainable investments with an environmental objective. For the avoidance of doubt, the sub-fund does not need to hold 20% of its asset in cash and can invest in sustainable companies instead, in which case the percentage of the sub-fund's overall portfolio invested in sustainable investments will be higher.Notwithstanding the above, 100% of the sub-fund's investments will at all time qualify as sustainable investments.~~
For the avoidance of doubt, the above percentage (i.e. 100% of sustainable investments) refers to the investments to be made by the Sub-Fund, however it does not include cash which is used for efficient liquidity and efficient portfolio management or cost management purposes which are not actually part of the investment portfolio. The cash will constantly fluctuate and will not affect the minimum share of sustainable investments of the Sub-Fund.

The investment process is duly set up to exclude non-sustainable investees following a product, service or project related selection of companies. Therefore, all companies in the portfolio develop, produce or sell products, technologies or services that contribute to mitigate greenhouse gases. A minimum of 38% of the portfolio is invested in companies with activities that qualify as environmentally sustainable under the EU-Taxonomy. A maximum of 20% of the portfolio is invested in companies that have other activities contributing to climate change mitigation according to the analysis of the portfolio manager.

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.



 # 1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

- ***How does the use of derivatives attain the sustainable investment objective?***

Derivatives play a minor role in the investment strategy. They serve to control the portfolio overall investment level, enhance returns on existing investments and are fully covered with underlyings that completely passed the investment process, therefore are sustainable investments as well.

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.

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

A minimum of 38% of the portfolio is invested in companies with activities that qualify as environmentally sustainable under the EU-Taxonomy. A maximum of 20% of the portfolio is invested in companies that have other activities contributing to climate change mitigation according to the analysis of the portfolio manager.

The portfolio contains listed equites and listed derivatives on these equites and cash. There are no sovereign issuers selected.

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

☐ Yes:

- ☐ In fossil gas
- ☐ In nuclear energy

☒ No

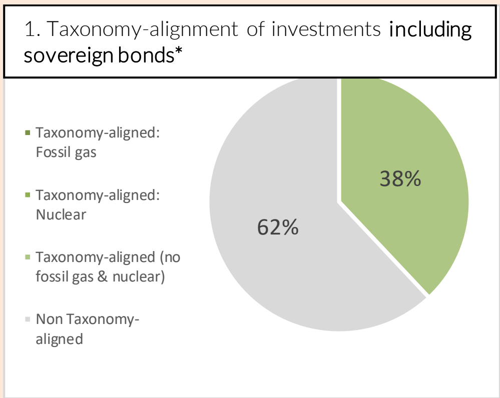
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

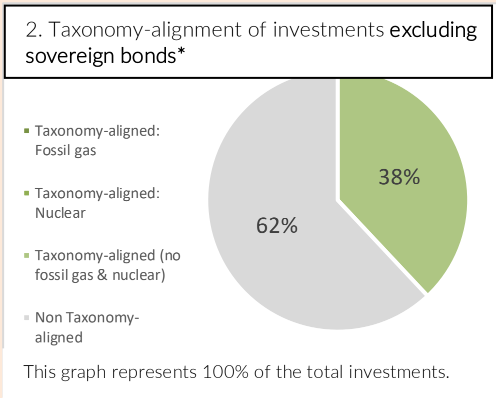
Transitional activities are activities for which low-carbon alternatives are not yet available and among others

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 paragraph shows the Taxonomy alignment in relation to all the

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - 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.

investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





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

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

Carnot's investment strategy promotes the reduction of energy and natural resources consumption. The individual companies are tested and documented for their mission with the Carnot Impact questionnaire. If they pass the impact analysis process 100% of the investee companies are either enabler or best in class transitioners.

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

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

It can reasonably be expected that at least 10% of the sub-fund's sustainable investments with an environmental objective will not be aligned with the EU Taxonomy.
For the avoidance of doubt, any such investments that are not aligned with the EU Taxonomy are nevertheless sustainable investments as per the SFDR. A systematic review of the impact portfolio companies by means of questionnaires records the positive effects qualitatively. The assignment of the companies and their activities (products, services, projects) to the SDGs (mapping) takes place after completion of the questionnaire analysis. At the same time, the minimum compliance is ensured through a negative comparison of the ESG screening. A company is not necessarily a responsible company just because its products, services and projects have a positive impact. Through the high standard of the impact analysis process not aligned with EU Taxonomy is close to zero.

What is the minimum share of sustainable investments with a social objective??

There is no minimum share of sustainable investments with a social objective. ESG screening (Bottom up) is a requirement for the Carnot impact investing universe. Sustainable ESG ratings at the company and at the fund level structure the process. The Fund follows an active selection based on E (= Environment) criteria. S (= Social) and G (= Governance) are only partially actively selected. The social objectives are monitored and controlled. However, there is no minimum share of sustainable investments with a social objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Through the impact analysis process only sustainable investees are selected for the portfolio. In the ESG-top down process exclusion criteria (e.g. controversial activities) are used as safeguards, in the ESG bottom up process minimum standards (e.g. Global compact) are required to pass the test. Therefore, 100% of the investments fulfil minimum environmental and social safeguards and 0% are "not sustainable".
Although the sub-fund's aim is to be fully invested, it cannot be excluded that a residual amount of the sub-fund's portfolio would hold ancillary liquid assets for liquidity management purposes. Such liquid assets are not considered sustainable investments and there are no minimum environmental or social safeguards in this respect.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

The product does not use a designated reference benchmark to determine whether the sustainability objectives are met because the product has a narrow investment focus and has only little overlap with any market benchmarks. The achievement of the objectives is ensured by the investment process and the impact analysis described above. However, the investment manager does disclose comparative figures from independent research providers that compare the product to broad market indices in terms of carbon footprint, controversial activities and sustainability ratings.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

N/A

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

N/A

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

N/A

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

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.carnotcapital.com/en/impact-reports-2021