

Value Tree Umbrella SICAV
société d'investissement à capital variable – société anonyme
11, Rue Aldringen, L-1118 Luxembourg
RCS Luxembourg B 207400
(the “**Company**”)

NOTICE TO SHAREHOLDERS OF THE SUB-FUNDS VALUE TREE BEST EQUITIES (THE “SUB-FUND”)

Luxembourg, 5 March 2021

Dear Shareholder,

The board of directors of the Company (the “**Board of Directors**”) would like to inform of an update to the prospectus of the Company in light of the entry into force of 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 (the “**SFD Regulation**”), which is part of a broader legislative package under the European Commission’s Sustainable Action Plan and will come into effect on 10 March 2021.

The SFD Regulation foresees a certain number of disclosures on sustainability risks and requires that sub-funds be classified in one of the three categories below:

- Sub-funds which do not refer to any sustainable or ESG element or strategy (Article 6 of SFDR);
- Sub-funds which promote, among other characteristics, environmental or social characteristics, provided that the companies in which the investments are made follow good governance practices (Article 8 of SFDR);
- Sub-funds which have a Sustainable Investment objective (Article 9 of SFDR).

The Sub-Fund falls within the second category (i.e. sub-funds which promote environmental or social characteristics).

In light of this classification, the following description has been added in the Sub-Fund’s appendix:

“The Investment Manager of the Sub-Fund promotes ESG elements in its management and investment decisions. In addition to the analysis of Sustainability Risks (as described in the general part of the Prospectus), the Investment Manager applies the following ESG analysis to the investments of the Sub-Fund:

In its investment selection process, the Investment Manager takes into account the ESG scores of the target securities based on data provided by known ESG data providers.

The target securities will be attributed a “Sustainability Score” which is based on the following criteria:

- *Environmental: with a weight of 35%*
- *Social: 15%; and*
- *Governance: 50%*

This Sustainability Score aims at providing a sense of sustainability of the target investment on a scale from 1 to 10. The score covers all issuers and is based on repeatable, checkable, reasonably stable data so that it can be used across the universe. The aim is comparability, easiness of updating and transparency at the expense of depth.

The data analysed to reach the Sustainability Score include (but are not limited to the target companies’ boards’ independence, board’s geographic diversity, split leadership, CO2 emission dynamics, water consumption dynamics, wage dispersion trends, job satisfaction and internal communication, with a focus on items related to governance.

The Investment Manager will only invest in target investments having an ESG score of at least 5 out of 10 or which have a lower ESG score but demonstrate potential for future improvement based on a separate analysis conducted by the Investment Manager taking into account the history of the company and a comparison with peer companies. The Investment Manager aims at constructing a portfolio with an average ESG score of 5/10.

If no ESG scoring is available, the Investment Manager will conduct its own analysis based on information received from the target company (including but not limited to their ESG policy and annual accounts).

Further details on the ESG criteria applied can be found in the Investment Manager’s ESG policy available under www.valuetree.es”

The changes are intended to clarify the way in which the Sub-Fund is currently managed. All other key features of the Sub-Fund will remain the same.

There is no change in the Sub-Fund’s investment style, investment philosophy, investment strategy, and the operation and/or manner in which the sub-fund is being managed following these clarifications.

A revised version of the prospectus of the Company which takes into account this change mentioned above is available at the registered office of the Company and will be sent to the shareholders upon request.

Yours faithfully,

On behalf of the Board of Directors