

# OSSIAM IRL ICAV

## Ossiam ESG Shiller Barclays CAPE<sup>®</sup> Global Sector UCITS ETF

**27 March 2023**

(A sub-fund of Ossiam IRL ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C173953 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).

This Supplement (the “Supplement”) forms part of the Prospectus dated 10 October 2022 (the “Prospectus”) in relation to Ossiam IRL ICAV (the “ICAV”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the Ossiam ESG Shiller Barclays CAPE<sup>®</sup> Global Sector UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the ICAV.

The Sub-Fund is a Non-Index Tracking Sub-Fund (i.e., it is an actively managed UCITS ETF).

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety, and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.

The Directors, as listed in the “*Management*” section of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

## KEY INFORMATION

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

<b>Base Currency</b>	USD
<b>Dealing Deadline</b>	For cash subscriptions and redemptions 4 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day. The Sub-Fund does not accept in kind dealings.
<b>Listing Stock Exchange</b>	London Stock Exchange, Deutsche Boerse
<b>Cash Creation Fee (i.e., subscription fee)</b>	Maximum of 3.00% of the Net Asset Value per Share multiplied by the number of Shares being created.
<b>Cash Redemption Fee (ie, redemption fee)</b>	Maximum of 3.00% of the Net Asset Value per Share multiplied by the number of Shares being redeemed.
<b>Duties and Charges</b>	Maximum of 1.00% of the Net Asset Value per Share multiplied by the number of Shares being created or redeemed.
<b>Settlement Deadline</b>	Appropriate cleared subscription monies must be received by 2 Business Days after the relevant Dealing Day, or such later date as may be determined by the ICAV and notified to prospective investors from time to time.
<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the “ <i>Determination of Net Asset Value</i> ” section of the Prospectus, using last traded prices for securities.
<b>Valuation Point</b>	The close of business on the market that closes last on the relevant Dealing Day in respect of listed equities and 4 pm (London time) for currencies.

The following Share Classes are available in the Sub-Fund:

Share Class Name	Currency	Currency Hedged Share Class	Minimum Subscription Amount	Minimum Redemption Amount	TER	ISIN
1A (USD)	USD	No	\$2,000,000	\$2,000,000	0.75%	IE000X44UYY8
1A (EUR)	EUR	No	€2,000,000	€2,000,000	0.75%	IE000SVSL9U5
1A (EUR HEDGED)	EUR	Yes	€2,000,000	€2,000,000	0.75%	IE000H93MEI0

The ICAV currently has ten other sub-funds: the Ossiam World ESG Machine Learning UCITS ETF, the Ossiam US ESG Low Carbon Equity Factors UCITS ETF, Ossiam Global Sustainable Income UCITS ETF, the Ossiam US Minimum Variance ESG NR UCITS ETF, the Ossiam ESG Low Carbon Shiller Barclays CAPE® US Sector UCITS ETF, the Ossiam Food for Biodiversity UCITS ETF, the Ossiam ESG Shiller Barclays CAPE® Europe Sector UCITS ETF, the Ossiam Bloomberg USA PAB UCITS ETF, the Ossiam Bloomberg Canada PAB UCITS ETF and the Ossiam Bloomberg World PAB UCITS ETF.

## INVESTMENT OBJECTIVE AND STRATEGY

### Investment Objective

The objective of the Sub-Fund is to deliver net total returns of a selection of equities from developed markets using a sector allocation approach while consistently integrating environmental, social and governance (“**ESG**”) matters.

### Investment Strategy

The Sub-Fund will seek to achieve its investment objective by investing primarily in large and mid-cap equities which are listed or traded on Recognised Markets across developed countries including those that are part of the indices which make up the Shiller Barclays CAPE® Global Sector Net TR GoC Index. The “**Investment Universe**” consists of the large and mid-cap equities which are listed or traded on Recognised Markets across developed countries provided that such equities fall within one of the ten Sectors listed below.

The Shiller Barclays CAPE® Global Sector Net TR GoC Index is sponsored by Barclays Bank PLC (“**Barclays**”) and it is calculated and published by Bloomberg Index Service Limited. Barclays is not yet included, nor is required to be, on the ESMA register of administrators and benchmarks. The calculation methodology of the Index are available on Barclays’ website: <https://indices.barclays/file.app?action=shared&path=binda/ShillerGlobalSectorIMD.pdf>, and full list of components of the Index available on:

<https://indices.barclays/IM/12/en/indices/details.app;ticker=BXIICAPE>.

The Shiller Barclays CAPE® Global Sector Net TR GoC Index is determined using the Shiller Barclays CAPE® Global Index Family Methodology (the “**Methodology**”).

The Methodology consists of assessing (using Relative CAPE® indicators and price momentum) the 10 following market sectors:

- utilities,
- consumer staples,
- financials (including real estate),
- materials,
- information technology,
- communication services,
- healthcare,
- energy,
- consumer discretionary; and
- industrial.

(each a “**Sector**”, and together the “**Sectors**”).

Each Sector is classified according to the Global Industry Classification Standard (“**GICS**”), except for the GICS financial and real estate sectors, which are combined together in the Methodology. The Relative CAPE® (Cyclically Adjusted Price Earnings) indicators measure the relative expensiveness of a Sector using its current and long-term historical prices and earnings.

Having assessed the Sectors, the Methodology selects a minimum of 4 and a maximum of 10 Sectors and obtains exposure to them through separate sub-indices tracking the given Sector(s).

### *Eligible Universe*

The Management Company then uses a quantitative model (the “**Model**”) which it has developed to evaluate the Investment Universe, and which implements a systematic, rules-based exclusion approach that assesses the securities from the Investment Universe based on:

- ESG criteria;
- normative exclusions; and
- carbon emissions related data,

with at least 90% of the portfolio subject to such non-financial analysis.

The Model uses ESG and carbon emissions raw data provided by the “**ESG Data Providers**” (including but not limited to, Sustainalytics, Trucost and ISS) and data derived by the Management Company from the data provided by the ESG Data Providers as inputs in its quantitative model to exclude securities from the Investment Universe that are not aligned with the ESG and human rights criteria of the Fund (as set out below in the Best-In-Class Filter and Normative Filter, and which may be further detailed in the Transparency Code available on the Management Company’s website [www.ossiam.com](http://www.ossiam.com)).

Every month, the initial screening performed by the Model (the “**Best-In-Class Filter**”) results in the exclusion, for each sub-region separately (North America, Europe and the developed countries in the rest of the world), of at least the 20% worst ranked stocks of each selected Sector from the Investment Universe. Stock are ranked in this regard according to ESG and carbon emissions related metrics, including but not limited to ESG scores and greenhouse gas emissions data, in each case as published by ESG Data Providers.

Stocks that pass the Best-In-Class Filter are screened through the “**Normative Filter**” that aims at eliminating stocks of companies involved in serious violations of widely accepted international norms of responsible corporate behaviour and certain controversial business activities, such as:

- Part of Global Compact exclusions, provided by the ESG Data Providers based on the 10 Principles of Global Compact defined by the United Nations: <https://www.unglobalcompact.org/what-is-gc/mission/principles>,
- Subject to controversy level 4 and 5 exclusions on a scale from 0 to 5, as per ESG Data Providers’ data, as described below,
- Involved in controversial weapon business (e.g., cluster munitions or chemical weapons), as assessed by the ESG Data Providers,
- Have significant operations in the tobacco and coal industries as well as their relevant value chain (i.e., companies providing goods and services that support such industries). The Management Company sets thresholds regarding significant operations that vary, by industry, by activity and over time, between 0% and 50%. The threshold depends on activity itself and the position of a company in the value chain. For example, coal extraction is considered unacceptable by the Management Company and so the threshold for that is set at 0% (ie, a company with even 1% involvement in coal extraction is excluded). But, for a different activity and a different position in the value chain, the threshold could be higher (eg, for a company which makes paper that is used both for wrapping tobacco and other non-tobacco products, the threshold might be 50%). Further details are available in the transparency code of the Management Company at <https://www.ossiam.com/EN/documents>, and
- Specifically for electricity producers, companies that produce more than 20% of their output from thermal coal.

The ESG Data Providers rate the controversy levels described above by monitoring 10 specific indicators, namely:

- Operations Incidents
- Environmental Supply Chain Incidents
- Product and Service Incidents
- Business Ethics Incidents
- Governance Incidents
- Public Policy Incidents
- Employee Incidents
- Social Supply Chain Incidents
- Customer Incidents
- Society and Community Incidents

Companies are rated from 0 (lowest) to 100 (highest) on each indicator. The controversy level score for each stock is given as the minimum value across these 10 indicators. A stock with one indicator at 0 is rated “controversy level 5”, while a stock with one indicator below 20 is rated “controversy level 4”. These stocks are excluded from the Investment Universe.

Securities that pass all the filters listed above are referred to, collectively, as the “**Eligible Universe**” whose components are then weighted by capping the market Sectors at 30% each with a maximum weight of 5% per issuer.

The Management Company performs the rebalancing on a monthly basis.

### **SFDR / Taxonomy Regulation Disclosures**

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 “**SFDR**”) and 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, and amending Regulation (EU) 2019/2088 (the “**Taxonomy Regulation**”) require the Management Company to include in this Supplement certain disclosures, which are set out below and in the annex hereto.

#### *Sustainability risks*

SFDR defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment of the Sub-Fund. The Management Company recognises that the securities which comprise the Investment Universe may be exposed to sustainability risks from time to time. In order to reduce the potential impact such risks may have on the Sub-Fund, the Management Company took such risks into account in the investment strategy as described above. The Management Company considers that, even though sustainability risks are inevitable and could have a negative impact on the Sub-Fund, the investment strategy contributes to reducing them.

**Instruments / Asset Classes.** The equity securities in which the Sub-Fund invests are as described above and will be primarily listed or traded on Recognised Markets, although the Sub-Fund may also invest in unlisted securities in accordance with the limits set out in the UCITS Regulations. The Sub-Fund will invest at least 90% of its Net Asset Value in such equities. In normal circumstances, the Sub-Fund may hold up to 10% of its Net Asset Value in ancillary liquid assets (deposits, certificates of deposit, commercial paper and fixed rate bonds issued by governments which are rated investment

grade) in accordance with the UCITS Regulations, provided however that this restriction will not apply following large subscriptions to the Sub-Fund. The Sub-Fund may also, subject to a maximum of 10% of its Net Asset Value, invest in other regulated, open-ended collective investment schemes, including ETFs, as described under “Investment in other Collective Investment Schemes” in the “Investment Objectives and Policies” section of the Prospectus, where the objectives of such funds are consistent with the objective of the Sub-Fund.

With respect to the Currency Hedged Share Classes, the Sub-Fund performs currency hedging using the NAV Hedge method described in the Prospectus. For this purpose, the Sub-Fund may use futures, forward foreign exchange contracts each as described in the Prospectus. As described in the Prospectus, where the Sub-Fund uses FDI it will submit a risk management process to the Central Bank. The Sub-Fund will not have any exposure to repurchase agreements, stock-lending transactions or total return swaps.

**Portfolio Holding Disclosure Policy.** On each Business Day, the Sub-Fund will disclose on [www.ossiam.com](http://www.ossiam.com) the identities and quantities of the Sub-Fund’s portfolio holdings that form the basis for the Sub-Fund’s calculation of the Net Asset Value in respect of the previous Dealing Day.

## INVESTMENT RISKS

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the “*Risk Information*” section of the Prospectus. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares. In addition, investors should be aware of the following risks:

**Market Risk:** The value of the Sub-Fund's Shares is linked to equities, the value of which may rise or fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that the strategy of the Sub-Fund will indeed result in a return above any comparable investment strategy or that they will recover their initial investment.

**ESG Investments Risk:** The Management Company’s focus on securities of issuers which maintain sustainable characteristics may affect the Sub-Fund’s investment performance and may result in a return that at times compares unfavourably to similar funds without such focus or with the broad market, including the Investment Universe. Sustainable characteristics used in a Sub-Fund’s investment policy may result in such Sub-Fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their sustainable characteristics when it might be disadvantaged to do so.

**Currency risk:** The Sub-Fund could be invested in securities denominated in a number of different currencies other than the Base Currency. Changes in foreign currency exchange rates will affect the value of some securities held by the Funds and can bring additional volatility

**Currency Risk at Share Class level:** Share Classes which are denominated in currencies other than the Base Currency may be hedged or unhedged (as indicated in the Share Class table above). For the unhedged Share Classes, the Net Asset Value per Share of such Share Classes will follow fluctuation in the exchange rate between the Share Class currency and the Base Currency, which can generate additional volatility at the Share Class level. The Currency Hedged Share Classes perform currency hedging using the NAV Hedge method as defined in the Prospectus. This means that the hedging

seeks to minimise the effect of exchange rate fluctuations between the class currency of the Currency Hedged Share Class and the Base Currency of the Sub-Fund. However, such hedging does not seek to minimise the effect of exchange rate fluctuations between the Base Currency of the Sub-Fund and the currency exposures of the Sub-Fund's portfolio holdings. Investors of all Share Classes, including those of the Currency Hedged Share Classes remain exposed to the effect of such fluctuations.

## **INVESTOR PROFILE**

The Sub-Fund is opened to all investors and may be suitable for investors looking to take a diversified exposure to large and mid-cap developed market equities. The recommended investment horizon is five (5) years.

## **SUBSCRIPTIONS – PRIMARY MARKET**

The Shares will be available from 9:00 am (Irish time) on 28 March 2023 to 3:00 pm (Irish time) on 27 September 2023 or such earlier or later date as the Directors may determine (the “**Offer Period**”). During the Offer Period, the Initial Offer Price per Share will 10 USD or 10 EUR, as applicable.

Following the end of the Offer Period, Shares will be issued on each Dealing Day at the appropriate Net Asset Value per Share with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Investors may subscribe for Shares for cash on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out below and in the “*Purchase and Sale Information*” section of the Prospectus. Consideration, in the form of cleared subscription monies, must be received by the applicable Settlement Deadline.

## **REDEMPTIONS – PRIMARY MARKET**

Shareholders may effect a redemption of Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges, provided that a valid redemption request from the Shareholder is received by the Management Company by the Dealing Deadline on the relevant Dealing Day, in accordance with the provisions set out in this section and at the “*Purchase and Sale Information*” section of the Prospectus. Settlement will normally take place within two Business Days of the Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than 10 Business Days from the Dealing Deadline.

## **FEES AND EXPENSES**

The TER for each Class is set out in the table in the “Key Information” section above.

Further information in this respect is set out in the “*Fees and Expenses*” section of the Prospectus.

With respect to the Currency Hedged Share Classes, Class hedging costs will not be included in the TER of the Share Class.

## DISTRIBUTIONS

Share Classes whose name contains “A” are Accumulating Share Classes. Please refer to the “Distributions” section of the Prospectus for additional information.

## LISTING

The Shares are expected to be admitted to trading on one or more of the Listing Stock Exchanges on or after the closure of their Offer Periods.

## TAX

The Sub-Fund qualifies as an “equity fund” pursuant to German Investment Act.

## INDEX DISCLAIMER

Barclays Bank PLC (“**BB PLC**”) and its affiliates (collectively “**Barclays**”) are not the issuer or producer of the Ossiam ESG Shiller Barclays CAPE® Global Sector UCITS ETF (the “**Product**”) and Barclays has no responsibilities, obligations or duties to investors in the Product unless and to the extent Barclays acts as the distributor of the Product pursuant to an agreement with Ossiam. The Shiller Barclays CAPE® Global Sector Net TR GoC Index (the “**Index**”) is a trademark owned, or licensed for use, by BB PLC and is licensed for use by Ossiam IRL ICAV as the “Issuer” of the Product. While Ossiam IRL ICAV as the Issuer of the Product, and for its own account, executes transaction(s) with Barclays in or relating to the Index in connection with the Product, investors acquire the Product from Ossiam IRL ICAV and investors neither acquire any interest in the Index nor enter into any relationship of any kind whatsoever with Barclays upon making an investment in the Product. The Product is not sponsored or endorsed by Barclays and Barclays makes no representation regarding (i) the suitability or advisability of the Product or (ii) the use or referencing of the Index (including, without limitation, any selection or filtering process applied by Ossiam in relation to the Index (or any components or constituents thereof) in connection with any ESG-related Products that are actively managed by Ossiam) or (iii) the use of any data included therein, unless and to the extent Barclays acts as a distributor of the Product and makes explicit representations in connection with the distribution of the Product. Barclays shall not be liable in any way to the Issuer, investors or to other third parties in respect of the use or accuracy of the Index or any data included therein.

Barclays Index Administration (“**BINDA**”), a distinct function within BB PLC, is responsible for day-to-day governance of BB PLC’s activities as Index Sponsor.

To protect the integrity of Barclays’ indices, BB PLC has in place a control framework designed to identify and remove and/or mitigate (as appropriate) conflicts of interest. Within the control framework, BINDA has the following specific responsibilities:

- oversight of any third-party index calculation agent;
- acting as approvals body for index lifecycle events (index launch, change and retirement); and
- resolving unforeseen index calculation issues where discretion or interpretation may be required (for example: upon the occurrence of market disruption events).

To promote the independence of BINDA, the function is operationally separate from BB PLC’s sales, trading and structuring desks, investment managers, and other business units that have, or may be perceived to have, interests that may conflict with the independence or integrity of Barclays’ indices. Notwithstanding the foregoing, potential conflicts of interest exist as a consequence of BB PLC providing indices alongside its other businesses. Please note the following in relation to Barclays’ indices:

The Index Sponsor is under no obligation to continue the administration, compilation and publication of the Index or the level of the Index. While the Index Sponsor currently employs the methodology ascribed to the Index (and application of such methodology shall be conclusive and binding), no assurance can



be given that market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any constituent within the Index) will not arise that would, in the view of the Index Sponsor, necessitate an adjustment, modification or change of such methodology. In certain circumstances, the Index Sponsor may suspend or terminate the Index. The Index Sponsor has appointed a third-party agent (the '**Index Calculation Agent**') to calculate and maintain the Index. While the Index Sponsor is responsible for the operation of the Index, certain aspects have thus been outsourced to the Index Calculation Agent.

#### Barclays

1. makes no representation or warranty, express or implied, to the Issuer or any member of the public regarding the advisability of investing in transactions generally or the ability of the Index to track the performance of any market or underlying assets or data; and
2. has no obligation to take the needs of the Issuer into consideration in administering, compiling or publishing the Index.

Bloomberg Index Services Limited is the official index calculation and maintenance agent of the Index, an index owned and administered by Barclays. Bloomberg Index Services Limited does not guarantee the timeliness, accurateness, or completeness of the Index calculations or any data or information relating to the Index. Bloomberg Index Services Limited makes no warranty, express or implied, as to the Index or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. To the maximum extent allowed by law, Bloomberg Index Services Limited, its affiliates, and all of their respective partners, employees, subcontractors, agents, suppliers and vendors (collectively, the "protected parties") shall have no liability or responsibility, contingent or otherwise, for any injury or damages, whether caused by the negligence of a protected party or otherwise, arising in connection with the calculation of the Index or any data or values included therein or in connection therewith and shall not be liable for any lost profits, losses, punitive, incidental or consequential damages

The Shiller Barclays Indices have been developed in part by RSBB-I, LLC, the research principal of which is Robert J. Shiller. RSBB-I, LLC is not an investment advisor, and does not guarantee the accuracy or completeness of the Shiller Barclays Indices, or any data or methodology either included therein or upon which it is based. Neither RSBB-I, LLC nor Robert J. Shiller and its consultant, IndexVestLAB, LLC and consultants thereto, shall have any liability for any errors, omissions, or interruptions therein, and makes no warranties, express or implied, as to performance or results experienced by any party from the use of any information included therein or upon which it is based, and expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect thereto, and shall not be liable for any claims or losses of any nature in connection with the use of such information, including but not limited to, lost profits or punitive or consequential damages, even if RSBB-I, LLC or any of such other said parties is advised of the possibility of same. Neither RSBB-I, LLC nor Robert J. Shiller and its consultant, IndexVestLAB, LLC and consultants thereto have provided any input into the ESG or Low Carbon methodologies or ratings applied by Ossiam in connection with any ESG-related Products, and therefore make no representation in respect of the accuracy, validity or suitability of such ESG and Low Carbon methodologies or ratings.

With regard to any ESG-related Products, neither Barclays nor RSBB-I LLC has provided any input into the ESG or low carbon methodologies or ratings applied by Ossiam in connection with such Products, and neither Barclays nor RSBB-I LLC therefore makes any representation in respect of the accuracy, validity or suitability of such ESG and low carbon methodologies or ratings. The Product does not constitute investments which fund an ESG-related project, but rather only provides exposure to certain underlying index constituents based on the ESG filtering methodology and ratings applied by Ossiam. The composition of the underlying assets referenced by the Product (including the constituents of the Index) may vary over time. It is important to note that overall ESG scoring is influenced by a number of factors and, as a result, for example, a higher score on environmental factors may offset a lower score on social factors, or vice-versa.

Barclays notes that there is currently no globally accepted framework or definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, an "ESG" (Environmental, Social or Governance), "green", "sustainable", "climate-friendly" or an equivalently-labelled product, or as to what precise attributes are required for a particular investment, product or asset to be defined as "ESG",

“green”, “sustainable”, “climate-friendly” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time.

Barclays does not make any representation or assurances as to the investment, product, index or asset’s ESG performance, alignment or compliance with any regulatory regime or with any affiliate or third-party assessment, nor any future ESG performance, alignment to or compliance with any regulatory regime or with any affiliate or third-party assessment. Neither does Barclays make any representation or assurances that the investment, product or asset will meet any or all investor or user objectives or expectations regarding any relevant “ESG”, “green”, “sustainable” or other equivalently labelled objectives, or that any adverse environmental, social and/or other impacts will not occur, therefore there can be no assurance as to the viability of the investment, index, product or asset for ESG purposes. Any questions as to the viability of the investment, product, index or asset for ESG purposes may limit the liquidity and adversely affect the market value of the investment, product or asset or in the case of indices, any investments, products or assets that use such indices. Any sustainability features, impact investment criteria or other ESG characteristics may themselves limit the liquidity or adversely affect the market value of the investment, product or asset or in the case of indices, any investments, products or assets that use such indices.

Barclays has not conducted any assessment of the investment, product, index or asset for compliance with EU Sustainable Finance Disclosures Regulation classification purposes, EU Taxonomy Regulation classification purposes, or equivalent classification regimes (“Classification Regimes”) or otherwise considered them for these purposes. Investors, users and other relevant persons are reminded that they would need to make their own assessments for these purposes and Barclays shall bear no responsibility or liability in that regard.

The information and data contained or referred to herein has been provided by a third-party. Barclays neither represents that any third-party ESG information or data is accurate or complete, nor that Barclays has (itself or via a third-party) taken any steps to independently or otherwise verify such information and data. Accordingly, Barclays does not accept any liability whatsoever for any direct, indirect or consequential loss arising from any actions or inactions undertaken in reliance on the information or any other content contained herein or in relation to determinations made under the Classification Regimes by investors, users and other relevant persons.

Investors, users and other relevant persons are reminded that differences in opinion are possible. Different persons (including third-party data providers, investors and other financial institutions) may interpret and apply different criteria, including through use of internal methodologies, and arrive at different conclusions regarding the investment, index, product or asset.

Investors, users and other relevant persons are advised to obtain their own independent financial, legal, regulatory, tax or other advice as necessary in order to make their own investment decision as to whether the index, investment, product or asset meets their needs and make their own determination as to the index, investment, product or asset and future of the index, investment, product or asset, including ESG performance, ESG alignment, and alignment to or compliance with any regulatory regime (including without limitation, the Classification Regimes).

**Product name:** Ossiam ESG Shiller Barclays CAPE® Global Sector UCITS ETF (the “Fund”)

**Legal entity identifier:** Placeholder not available as the Fund has not been launched

## Environmental and/or social characteristics

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

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



Does this financial product have a sustainable investment objective?	
●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40 % of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

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

The Fund promotes:

Minimum social standards; and

Active consideration of environmental issues.

These characteristics are promoted by the way in which the Fund considers the indicators described in response to the question below.

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

The Fund does not track any index or seek to replicate the composition of any index. As such, there is no reference index within the meaning of the Sustainable Finance Disclosure Regulation (the “SFDR”).

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

The Fund uses the following sustainability indicators to measure the attainment of the environmental and social characteristics it promotes. Each of these sustainability indicators is used to measure the attainment of both characteristics promoted by the Fund, with the exception of greenhouse gas (“GHG”) emissions which is used only in relation to the active consideration of environmental issues.

1. ESG Scores as determined by the ESG Data providers. The ESG Scores reflect the environmental and social characteristics of the investee companies.
2. Involvement in controversial businesses

The ESG Data Providers rate the controversy levels described above by monitoring 10 specific indicators, namely:

- Operations Incidents
- Environmental Supply Chain Incidents
- Product and Service Incidents
- Business Ethics Incidents
- Governance Incidents
- Public Policy Incidents
- Employee Incidents
- Social Supply Chain Incidents
- Customer Incidents
- Society and Community Incidents

Companies are rated from 0 (lowest) to 100 (highest) on each indicator. The controversy level score for each stock is given as the minimum value across these 10 indicators. A stock with one indicator at 0 is rated “controversy level 5”, while a stock with one indicator below 20 is rated “controversy level 4”. These stocks are excluded from the Investment Universe.

3. Adherence to the UN Global Compact principles

Companies whose activities are judged by the ESG Data Providers to be in violation of one of the Ten Principle of the UN Global Compact <https://www.unglobalcompact.org/what-is-gc/mission/principles> are not considered for investments.

Furthermore, at each review, the Management Company will exclude any company that is deemed to be in breach with these principles.

4. GHG emissions (as provided by ESG Data providers)

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Objectives of the Fund’s sustainable investments:

- Actively contributing to fulfilling the objectives of the Paris Agreement;

- Reducing GHG emissions, in particular with science-based emissions reduction targets and net-zero commitments;
- Reducing biodiversity loss.

*Contribution of the Fund's sustainable investments to these objectives:*

The management company has defined metrics that are relevant to the objectives of the Fund's sustainable investments, with a view to monitoring and assessing their quality. By meeting or remaining below, as the case may be, the thresholds set by the management company, the Fund's sustainable investments are assessed as contributing to their objectives.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund ensures that its sustainable investments do not cause significant harm to any environmental or social sustainable objective by implementing stewardship actions (such as exercising voting rights as a shareholder, communicating in writing or attending meetings with the management of investee companies, setting up documented and time-bound engagement actions or shareholder dialogue with specific sustainability objectives) and taking into account the indicators for adverse impacts on sustainability factors set out in the table below.

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

**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.

Indicator for adverse impact on sustainability	Theme	Metric	Fund policy
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	PAI are taken into account in the management company's definition of Sustainable Investment. To qualify as a sustainable investment, each investee company must meet or remain below, as the case may be, certain thresholds which have been set taking into account the indicators for adverse impact on sustainability.
		Scope 2 GHG emissions	
		Scope 3 GHG emissions	
		Total GHG emissions	
	Carbon footprint	Carbon footprint	
	GHG intensity of investee companies	GHG intensity of investee companies	
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	
Share of non-renewable	Share of non-renewable energy		

	energy consumption and production	consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	
Waste	Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	
Social and employee matters	Violations of UN Global Compact	Share of investments in investee companies	

	principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	

Additional Climate Indicator	Investing_In_Companies_Without_Carbon_Emission_Reduction_Initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	
Additional Social Indicator	Rate Of Accidents	Rate of accidents in investee companies expressed as a weighted average	

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

Alignment is ensured through the use of a Normative Filter, as defined in the Supplement, which excludes companies in violation of widely accepted international norms of responsible corporate behaviour such as the United Nations Global Compact (UNGC) principles and/or the Organisation of Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

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

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

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





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

- Yes  
 No

The Fund has opted to consider certain principal adverse impacts (“PAI”) as part of the Normative Filter described in the Investment Strategy section of this Supplement. The particular PAI considered are set out below and will be detailed further in the annex to the Fund’s annual report.

Adverse impact indicator	Theme	Metric	Fund policy
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	<ul style="list-style-type: none"> <li>- At each rebalancing date, each company is included in the portfolio if assessed as not contributing to a PAI.</li> <li>- Between rebalancing dates, discussions with companies and voting on pertinent resolutions, as described in Ossiam’s engagement and voting policy, contribute to reducing the PAI on these sustainability factors.</li> </ul>
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	



## What investment strategy does this financial product follow?

The investment strategy consists in investing in large and mid-cap equities which are listed or traded on Recognised Markets across developed countries including those that are part of the Shiller Barclays CAPE® Global Sector Net TR GoC Index (the “Investment Universe”) selected by a quantitative rules-based model consistently integrating environmental, social and governance (“ESG”) matters, as described in the Supplement.

The Fund follows a rebalancing procedure on a monthly basis to ensure implementation of the investment strategy.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The quantitative rules-based model applies the following binding elements:

- (i) Best-In-Class Filter: exclusion of at least the 20% worst ranked stocks of each selected Sector from the Investment Universe. Stocks ranked in this regard according to ESG and carbon emissions related metrics: ESG scores, GHG emissions intensity, and potential GHG emission from reserves, in each case as published by ESG Data Providers.
- (ii) Normative Filter: exclusions of securities of companies involved in serious violations of widely accepted international norms of responsible corporate behaviour and certain controversial business activities, such as:
  - Part of Global Compact exclusions, provided by the ESG Data Providers based on the 10 Principles of Global Compact defined by the United Nations:  
<https://www.unglobalcompact.org/what-is-gc/mission/principles>,
  - Subject to controversy level 4 and 5 exclusions on a scale from 0 to 5, as per ESG Data Providers' data, as described below,
  - Involved in controversial weapon business (e.g., cluster munitions or chemical weapons), as assessed by the ESG Data Providers,
  - Have significant operations in the tobacco and coal industries as well as their relevant value chain (i.e., companies providing goods and services that support such industries). The Management Company sets thresholds regarding significant operations that vary, by industry, by activity and over time, between 0% and 50%. The threshold depends on activity itself and the position of a company in the value chain. For example, coal extraction is considered unacceptable by the Management Company and so the threshold for that is set at 0% (ie, a company with even 1% involvement in coal extraction is excluded). But, for a different activity and a different position in the value chain, the threshold could be higher (eg, for a company which makes paper that is used both for wrapping tobacco and other non-tobacco products, the threshold might be 50%). Further details are available in the transparency code of the Management Company at <https://www.ossiam.com/EN/documents>, and
  - Specifically for electricity producers, companies that produce more than 20% of their output from thermal coal

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

The Fund commits to a minimum rate of 20% per sector for each sub-region by application of the Best-In-Class filter described above.

● **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.

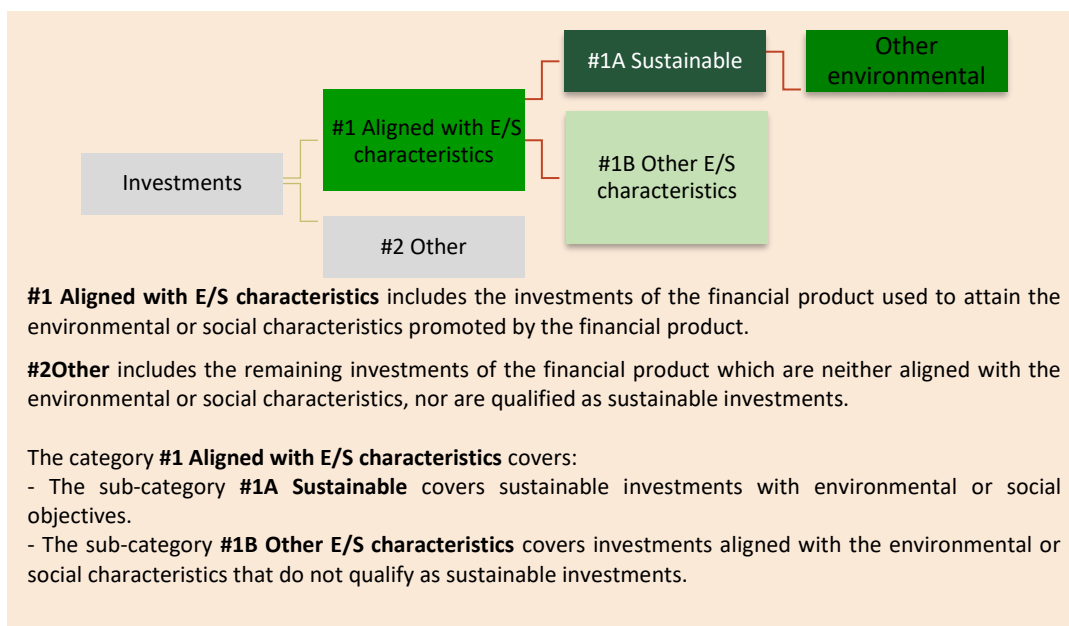
The Fund invests in companies that follow good governance principles as per Ossiam’s Good Governance Policy. As such, investee companies must:

- Be listed and traded on regulated financial markets;
- Not face severe governance controversies, including business ethics, or public policy incidents;
- Comply with the governance principles stated in the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises;
- Not be incorporated in a country identified by a national and/or international organisation (such as the Financial Action Task Force) as having strategic anti-money laundering or countering the financing of terrorism (AML/CFT) deficiencies and therefore being high risk or worthy of increased monitoring;
- Not be listed in a jurisdiction on the EU List of High-Risk Countries;
- Not be listed in a jurisdiction on the French government’s list of non-cooperative countries (ETNC).



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

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



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Asset allocation category	Description
<b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.	A minimum 90% of investments are aligned with the E/S characteristics of the Fund. These are direct investments in investee companies.
The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives	Investments representing a minimum 40% of the value of the Fund are aligned with the E/S characteristics promoted by the Fund and fall into the subcategory #1A Sustainable.  Investee companies classified as sustainable investments (SI) are monitored to ensure the fulfilment of the classification criteria. At each daily valuation date, the proportion of investments classified as SI is controlled to be

	aligned with the minimum proportion of SI set by the Fund. This control will be done based on the SI status provided by Ossiam's research, and updated on a regular basis using the latest available ESG data.
Other environmental	All the investments classified as #1A Sustainable fall into the subcategory Other environmental.
The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.	Investments representing up to 60% of the value of the Fund are aligned with the E/S characteristics promoted by the Fund and fall into the subcategory #1B Other E/S characteristics
#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.	Up to 10% of investments may be (i) cash and/or (ii) derivatives used for FX hedging purposes in the share classes not denominated in USD (given the nature of these investments, no minimum environmental or social safeguards are applied), and/or (iii) securities, resulting from corporate actions, which may not be aligned with the E/S characteristics of the Fund (such securities will be sold as soon as reasonably practicable, in the investors' best interest).

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

Derivatives may be used for FX hedging purposes in the share classes not denominated in USD. No derivatives are used to attain the environmental and social characteristics promoted by the Fund.



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

The Fund's minimum share of sustainable investments aligned with the EU Taxonomy is currently set at 0%.

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

- Yes: however, the Fund does not commit to a minimum percentage of investments in fossil gas and nuclear energy related activities that comply with the EU Taxonomy.
- No

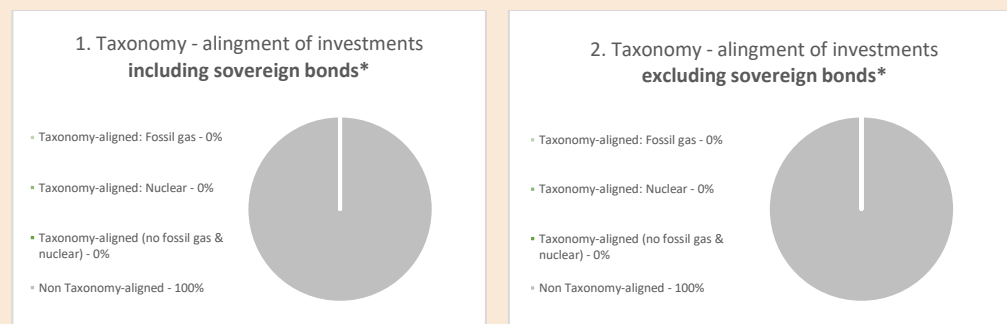
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among other have greenhouse gas emission levels corresponding to the best performance.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



**\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures**



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

As noted above, the Fund's minimum share of sustainable investments aligned with the EU Taxonomy is currently set at 0%.

At least 40% of value of the Fund are sustainable investments with an environmental objective. Therefore, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 40% of value of the Fund.



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

The investments included as “#2 Other” consist of:

- Cash to the extent necessary for the proper day-to-day management of the Fund. As such, no environmental or social safeguard is required, and/or
- Companies that the Fund may be invested in as the result of corporate actions (such as spin-offs or M&A activities). Such companies may not be assessed as having proper governance and climate characteristics at the time the Fund is entitled to receive their securities. The Fund will sell those securities as soon as reasonably practicable, in the investors’ best interest. The Fund’s limited exposure, both in terms of duration and volume, to those securities will not prevent the attainment of the environmental and social characteristics promoted by the Fund, and/or
- Derivatives that may be used for FX hedging purposes in the share classes not denominated in USD. As such, no environmental or social safeguard is required.



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

More product-specific Information may be found on the Management Company’s website <https://www.ossiam.com/EN/documents>