

BA3 STRATEGIC INVESTMENT SICAV
Société anonyme – société d’investissement à capital variable
35A J.F. Kennedy
L-1855 Luxembourg
Grand duchy of Luxembourg
RCS Luxembourg B 29 331
(the «**Fund**»)

NOTICE TO INVESTORS OF THE FUND

Dear Investor,

Please note that in view of the upcoming 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 management company (the “**Management Company**”) has decided on 1 February 2021, in cooperation with the board of directors of the Fund, to make the following amendments with immediate effect to the general section of the prospectus of the Fund (the “**Prospectus**”):

- The following disclosure has been added:

“9.1.2 Sustainability Investment

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 ”) lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability - related information with respect to financial products.

The manner in which Sustainability Risks are integrated into the investment decisions will be set out for each Sub-Fund in the relevant section of Appendix II to this Prospectus. Sustainability Risks refers to an environmental (E), social (S) or governance (G) (collectively, “ESG”) event, or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Unless otherwise stated in the relevant Appendix for each Sub-Fund, all portfolios are exposed to Sustainability Risks to a varying degree. The likely impacts of Sustainability Risks on the returns of a portfolio of a Sub-Fund is expected to be proportionate relative to the level to which Sustainability Risks are integrated into the decision-making process and/or are a binding consideration (in whole or in part) within the portfolio’s Investment Objectives and the effective management of such risks.

(...)

9.2.10 Sustainability Risks

The risk arising from any environmental, social or governance (ESG) events or conditions that, were they to occur, could cause a material negative impact on the value of the investment. Specific sustainability risks will vary for each Sub-Fund and asset class, and include but are not limited to the following:

Transition Risk

The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services.

Transition risk may result from several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risks may negatively affect the value of investments by impairing assets or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Physical Risk

The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change. Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Environmental Risk

The risk posed by the exposure to issuers that may potentially be causing or affected by environmental degradation and/or depletion of natural resources. Environmental risk may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems. Environmental risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Social Risk

The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damages to public health, data privacy breaches, or increased inequalities. Social risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Governance Risk

The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights,

deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflicts of interest, reputational damages, increased liabilities or loss of investor confidence.”;

and:

“As from January 1st, 2021, a progressively decreasing subscription tax rate (from 0.05% down to 0.01%) applies on the portion of a Sub-Fund’s assets invested in sustainable economic activities, as defined by Article 2 of SFDR.”.

Additionally, each Sub-Fund of the Fund has made accordingly appropriate disclosures in accordance with SFDR in their special dedicated section in accordance with their own strategy. An updated version of the Prospectus will be available for inspection by the investors of the Fund at the registered office of the Fund or upon request at legal@adepa.com.

10 March 2021

Yours Sincerely,

The Fund