

TIMEO NEUTRAL SICAV
5, Allée Scheffer
L-2520 Luxembourg, Grand Duchy of Luxembourg
Luxembourg
(the "Company")

Luxembourg, 13 July 2022

by registered mail

NOTICE TO ALL THE SHAREHOLDERS OF Timeo Neutral SICAV – BZ Inflation Linked Bonds (the "Shareholders")(the "Fund")

Dear Shareholders,

The Board of Directors of the SICAV (the "**Board**"), would like to inform the shareholders of the Company on the following prospectus change:

✓ Investment Policy

The wording relating to the investment in cash has been updated in order to reflect the entry into force of the FAQs concerning the Luxembourg Law of 17 December 2010 relating to undertaking for collective investment (the "**CSSF FAQs**").

✓ Taxonomy Regulation

The Prospectus has been updated in order to reflect the entry into force of 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**").

✓ SFTR

The section relating to SFTR has been amended as follow:

"As of the date of this Prospectus, the Sub-Fund does not engage in securities lending, nor enter into repurchase agreements, reverse repurchase agreements and total return swaps, nor in the other transactions covered by SFTR.

If the Sub-Fund uses such securities financing transactions in the future, the present Prospectus will be modified prior to such use in accordance with SFTR."

✓ Consideration of adverse sustainability impact

The Prospectus has been amended as follows:

"The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager.

The Management Company and the Investment Manager do not consider principal adverse impacts of their investment decisions on sustainability factors, complying with the Art. 4.1 of the SFDR."

✓ Performance Fee

The wording relating to Performance Fees has been clarified in order to reflect the entry into force of the ESMA Guidelines on performance fees in UCITS and certain types of AIFs ("**ESMA Guidelines**").

The current wording of the Performance Fee mechanism is as follows:

“The Investment Manager will receive a performance fee, accrued on each valuation date, paid quarterly, based on the net asset value (NAV), equivalent to 10 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calendar quarter. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calendar quarter in question.

The high water mark (all-time HWM) is defined as the greater of the following two figures:

- *The last highest Net Asset Value per Share on which a performance fee has been paid and;*
- *The initial NAV per share.*

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Point. If the NAV per share decreases during the calendar quarter, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the calendar quarter even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant calendar quarter and is adjusted in case of subsequent redemptions during the period.

No crystallisation of the performance fee shall be applicable in the case of a launch of a new share class/sub-fund if the calculation reference period is less than 1 year since the launch of the new share class/sub-fund. Performance reference period shall correspond to: all life of the fund.

Crystallisation frequency shall correspond to each calendar quarter.

The formula for the calculation of the performance fee is as follows:

$$\begin{aligned} F &= 0 \\ \text{If } (B/E - 1) &\leq 0 \\ F &= (B/E - 1) * E * C * A \\ \text{If } (B/E - 1) &> 0 \\ \text{The new high water mark} &= \text{if } F > 0; D \\ \text{If } F = 0; &E \\ \text{Number of shares outstanding} &= A \\ \text{NAV per share before performance} &= B \\ \text{Performance fee rate (10\%)} &= C \\ \text{NAV per share after performance} &= D \\ \text{High water mark} &= E \\ \text{Performance fees} &= F \end{aligned}$$

	<i>NAV per share before Perf Fee</i>	<i>HWM per share</i>	<i>NAV per share performance</i>	<i>Perf Fee</i>	<i>NAV per share after Perf Fee</i>
Q1	112.00	100.00	12.00%	1.20	110.80
Q2	120.00	110.80	8.30%	0.92	119.08
Q3	114.00	119.08	-4.27%	0.00	114.00
Q4	117.00	119.08	-1.75%	0.00	117.00
Q5	125.00	119.08	4.97%	0.59	124.41

Q1:

The NAV per share (112) is superior to the first HWM at launch (100).

The NAV per share performance (12%) is positive and generates a performance fee equal to 1.20.

The HWM is set to 110.80.

Q2:

The NAV per share (120) is superior to the new HWM (110.80).

The NAV per share performance (8.3%) is positive and generates a performance fee equal to 0.92.

The HWM is set to 119.08.

Q3:

The NAV per share (114) is inferior to the new HWM (119.08).

No performance fee is accrued.

The HWM remains unchanged.

Q4:

The NAV per share (117) has increased but is still inferior to the HWM (119.08).

No performance fee is accrued.

The HWM remains unchanged.

Q5:

The NAV per share (125) is superior to the HWM (119.08).

The NAV per share performance (4.97%) is positive and generates a performance fee equal to 0.59.

The HWM is set to 124.41."

An updated version of the prospectus dated July 2022 may be obtained, free of any charges, at the Registered Office of the Fund (5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg) or at Pharus Management Lux S.A. 16 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg.

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or Pharus Management Lux S.A.

The Board of Directors

The Prospectus, the instruments of incorporation, the key investor information documents together with the annual and semi-annual reports may be obtained upon request and free of charge from the Swiss Representative.

The representative in Switzerland is CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon.

The paying agent in Switzerland is CACEIS Bank, Montrouge, succursale de Nyon / Suisse, Route de Signy 35, CH-1260 Nyon.