AURIS
Société d'investissement à capital variable
5, Allée Scheffer, L-2520 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 197.662
(the "**Company**")

NOTICE TO SHAREHOLDERS OF THE SUB-FUND "AURIS – EVOLUTION EUROPE"

Luxembourg, November 30th, 2020

Dear Shareholder,

We, the board of directors of the Company (the "**Board**") would like to inform you of certain contemplated changes to the Company's sub-fund "Auris – Evolution Europe" (the "**Sub-Fund**"), as is more specifically explained in the following sections.

1. Changes to the investment policy

The Board has decided to modify the investment policy of the Sub-Fund with effect as from the December 31st, 2020in order to implement a socially responsible investment filter in the Sub-Fund's assets selection.

The investment policy of the Sub-Fund as set out in Appendix 2. "Evolution Europe" of the latest visa-stamped prospectus of the Company dated June 2020 is therefore modified as follow (deletion strikethrough and insertion underlined):

> **2. Investment Strategy of the Compartment**
> In order to achieve its investment objective the Compartment will adopt a dynamic, opportunistic and determined style relying on fundamental analysis of successful companies, looking especially at balance sheet structure, return on equity, cash flow, and management quality, as well as macroeconomic factors. Stocks are selected if they have a catalyst that could lead to their appreciation, that is to say, the Management Company identifies a specific aspect of the company, its products, its market environment, its strategy or its business model, that is not yet sufficiently factored into its price but which should logically and eventually lead to an appreciation. The Management Company is supported by a large network of analysts and a circle of experts and business leaders. Outperforming the benchmark can be achieved through stock picking, according to the knowledge and beliefs of the Management Company.

SRI Process

The Compartment's investment universe is filtered upstream according to the principles of the Investment Advisor's SRI (Socially Responsible Investment) process (the "SRI Process") including the "Touche Auris" (as described below), which consists of overweighting criterias. In accordance with the SRI Process, the following principles will be applied by the Management Company (upon advice from the Investment Advisor) in the selection of the Compartment's assets:

(i) For the selection of companies: The SRI Process is based on the following 3 principles applied simultaneously:

o **Exclusion of tax havens and sectoral exclusions**: The Management Company excludes from the Compartment's investments all issuers whose registered office is in a tax haven (as defined in the transparency code available on the following website: http://www.ecofi.fr/sites/default/files/publications/code_de_transparence.pdf) and companies involved in the production of cluster bombs and/or anti personnel mines. The SRI Process excludes companies involved in gambling, tobacco production, coal mining and coal related energy production.

o **Issuer selection with regard to their environmental, social and governance ("ESG") performance**: ESG performance is assessed on the basis of analysis based on criteria used by Vigeo Eiris, an external ESG rating agency, according to a 'best in universe' approach. The ESG factors include inter alia the following elements:

(a) Environmental:

The environmental analysis of companies looks at the direct and indirect impact of their activity on the environment. These criteria are qualitative (example: adoption of a environmental management system - EMS) and quantitative (examples: % of production sites whose EMS is ISO 14001 certified or global greenhouse gas emissions over a year). Environmental challenges for companies differ greatly depending on the sector.

(b) Social:

The social and societal performance of companies is understood through the analysis of their practices in matter of:

- • Human resources management: management of the risks of employee health and safety at the workplace, training and career management, place given to social dialogue;
- • Respect of human rights in the conduct of their activities (example: fight against child labor in countries at risks);
- • Societal impact that the company's products and services can have on its stakeholders. The social issues facing companies differ greatly depending on the sector.

(c) Governance:

Analysis of their willingness and ability to organize their own structure so as to:

- • limit the risk of malfunction;
- • and respect the interests of their stakeholders (employees, shareholders, customers and suppliers).

The performance of companies in terms of governance is apprehended through criteria such as the composition of the board of directors or the supervisory board, the transparency of the managers remuneration systems and the existence of independent committees on remuneration issues, appointments and audit. Their performance in terms of business ethics is analyzed with regard to criteria such as their relationships with their suppliers, the relevance and transparency of the information they provide to customers, as well as the compliance with market operating rules (absence of anti-competitive practices, corruption and money laundering).

In addition to this analysis based on the SRI Process, the selection of companies based on their ESG performance includes the overweighting of quantitative earnings indicators by the Management Company described as 'Touche AURIS' (i.e. non discrimination and equal opportunities, environment and climate.). The Investment Advisor provides the Management Company with individualised ESG and ISR analysis concerning the investment universe for the Compartment based on the ratings determined by Vigeo Eiris. The issuers are rebalanced into deciles (split of the universe into 10 equal parts; the

decile 1 consists of the highest rated issuers and the decile 10 consists of the lowest rated issuers) according to the rating assigned. The Compartment may invest in issuers belonging to the decimal places 1 to 9. The Compartment may invest in companies not rated by the ESG rating agency used and in external UCIs to a maximum level of 10% of its assets.

o **Management o of controversial issuers**: The rating of controversial issuers will be assessed following an analysis based on criteria used by Vigeo Eiris. Controversial issuers and their activities will be assessed by the Investment Advisor. The SRI Process excludes companies involved in ESG controversies, incidents whose severity is assessed on a scale from 1 (low impact) to 5 (strong impact). The SRI Process applied to the Compartment leads to exclude issuers that are the subject of level 5 controversies.

(ii) For the selection of states: The SRI Process is based on the following 3 principles applied simultaneously:

o **Exclusion of tax havens**: The Investment Advisor excludes states designated as tax havens from the Compartment's investments as a whole.

o **Issuer selection with regard to their ESG performance**: ESG performance is assessed on the basis of analysis based on criteria used by Vigeo Eiris (examples: Ratification of international environmental conventions, school enrolment rates, ratification of United Nations human rights conventions). In addition to this analysis based on the SRI Process, the selection of companies based on their ESG performance includes overweighting the 'Touche AURIS' indicators (i.e. non discrimination and equal opportunities, environment and climate.). States are split into deciles (fractioning of the universe in 10 equal parts; decile 1 consists of the highest rated issuers and decile 10 by the lowest rated issuers) according to the rating assigned. The Compartment may invest in the states belonging to the decimal places 1 to 7.

o **Management of controversial issuers**: The SRI Process excludes states that do not demonstrate a sufficient legislative and social framework for the development of democracy.

After the application of these three principles, approximately 40% of the issuers which would have been "eligible" without the application of the SRI Process and the Touche Auris are excluded. At least 90% of the Compartment's portfolio (invested in equities) will be invested in compliance with the SRI Process and the Touche Auris. The rate of extra-financial rating analysis or coverage of the extra-financial indicator must be greater than 90%. This rate can be understood either in number of issuers or in capitalization of the net assets of the Compartment. The Compartment's ESG rating is higher than the investment universe's ESG rating after eliminating a minimum of 20% of the lowest rated stocks. A detailed presentation of the SRI Process is available in the European SRI Transparency Code available on the following website: http://www.aurisgestion.com. The Compartment has not obtained the SRI label (www.lelabelisr.fr) at the date of this Prospectus. Such investment process is covered by the risk management procedure and internal controls which takes into account ISR/ESG risks.

3. Further investment allocation rules

The Compartment agrees to comply with the following net asset exposures:

a) From ~~60~~75% to 100% on stocks markets for all geographical areas, all sectors and all market cap sizes, including:

~~-Minimum 60% invested in equities of countries within the EU;~~

~~- 0% to 25% in stocks of countries outside the EU;~~

~~- 0% to 75~~0% to 30% in shares of small and mid-cap stocks (less than €1 billion);

- 0% to 10% in stocks of emerging market countries.

As it is eligible for Personal Equity Plans (PEA) in France, the UCITS agrees to comply with **a minimum investment of 75% in equities ~~of EU markets~~ that are PEA approved.**

b) From 0% to 100% on foreign exchange risk for currencies of the EU and from 0% to 50% risk on currencies outside the EU.

c) ~~**b)**~~ **From 0% to ~~40~~25% in fixed-income instruments of public or private issuers having a minimum A3 rating at the time of acquisition for the short term or a BBB S&P rating for the long term or, failing that, an equivalent rating assessed by the Management Company~~, including:~~**

~~- from 0% to a maximum of 10% in speculative securities rated lower than those above or unrated; and~~

~~- from 0% to 10% into convertible bonds~~**.**

The Management Company carries out its own credit analysis for shares being acquired and those held. It does not rely exclusively on ratings provided by the agencies, but also implements a comprehensive

credit risk analysis and an assessment of the necessary procedures for making buying decisions, and also divestment decisions in case portfolio shares are downgraded.
~~c) From 0% to 100% on foreign exchange risk for currencies of the EU and from 0% to 25% risk on currencies outside the EU.~~

2. Change of denomination

As a consequence of the above changes made to the investment policy of the Sub-Fund, the Board has also decided to change the denomination of the Sub-Fund as from December 31st, 2020 as follows in order to reflect its new investment policy:

Current denomination	New denomination
Auris – Evolution Europe	Auris – Evolution Europe ISR

3. Appointment of an investment advisor

The Board has decided to appoint "Ecofi Investissements" as ESG investment advisor for the Sub-Fund in order to provide the management company with individualised ESG and ISR analysis pursuant to an investment advisory agreement entered between the management company and the investment advisor.

4. Merger of Auris – Global Opportunities into Auris – Evolution Europe ISR

The Board would like to advise you that on January 18th, 2021 (the "**Effective Date**"), the sub-fund Auris – Global Opportunities (the "**Merging Fund**") will merge with the Sub-Fund (the "**Receiving Fund**") (the "**Merger**"). Shareholders in the Merging Fund will receive the equivalent value of shares in the Receiving Fund in place of their current shares in the Merging Fund.

The Merger was authorised by the *Commission de Surveillance du Secteur Financier*.

Background and rationale

Upon review, the Board has concluded that, given the declining size of the Merging Fund and the better performance of the Receiving Fund, shareholders in the Merging Fund will benefit from a merger with the Receiving Fund. Shareholders in the Merging Fund will be merged into a sub-fund which, the Board believes, will give shareholders access to greater capital growth potential with the same risk profile. The Merging Fund has approximately EUR 3.5M under management as of October 5th 2020 while the Receiving Fund has approximately EUR 48.7M under management as of the same date. A merger will therefore lead to a sufficient size to develop the Receiving Fund and to be attractive for future investors.

As a result of the Merger, there will be no change of the legal entity managing the portfolios of the Merging Fund and the Receiving Fund.

The Board has therefore decided, in accordance with Article 24 of the articles of incorporation of the Company (the **Articles**) and the provisions of the prospectus of the Company (the **Prospectus**) and in the interest of the shareholders, to merge the Merging Fund into the Receiving Fund.

Investment Policy and Objective of the Merging Fund and the Receiving Fund

The principal investment objective of the Merging Fund and the Receiving Fund is to outperform a benchmark, namely (i) the EURO STOXX Index with dividends reinvested over a recommended investment period of more than 5 years for the Merging Fund and (ii) the STOXX EUROPE 600, on an annual basis, and over the recommended investment period of minimum 5 years for the Receiving Fund.

As from December 31st, 2020, the Receiving Fund will also be managed in accordance with environmental, societal, governmental and socially-responsible principles, upon advice from an investment adviser, namely Ecofi Investissements, as further described in the Prospectus.

Share classes and annual investment management fee changes

The table below specifies the corresponding share classes of the Receiving Fund[1] in which the share classes of the Merging Fund will be merged, together with the annual management company fees (the MCF) and ongoing charges (the OGC) for the share classes of the Merging Fund and the Receiving Fund.

The performance-related fee effect for the investors of the Receiving Fund from the Merger is unchanged at the Effective Date and no different than if the Receiving Fund had received external investor subscriptions.

The base currency of both the Merging Fund and the Receiving Fund is EUR.

Share class*	**Merging Fund**		**Receiving Fund**	
	MCF	**OGC**	**MCF**	**OGC[2]**
R	up to 1.80%	3.07%	up to 2.15%	3.20%
I	up to 1.10%	2.37 %	up to 1.20%	2.22%

Impact on shareholders and shareholders' rights

The Board does not foresee material impact on the Receiving Fund's investment portfolio or performance as a result of the Merger (other than those resulting from the change of investment policy of the Receiving Fund described above). The Receiving Fund will continue to exist following the Merger.

[1] Other share classes are available in the Receiving Fund.

[2] Percentages are per annum and are stated with reference to the net asset value per share. The OGCs are as at December 31st 2019.

Prior to the Merger, the Merging Fund will dispose of any assets which would not fit well in the Receiving Fund's investment portfolio or which cannot be held due to investment restrictions and the Receiving Fund will be managed according to its investment objective and policy.

Costs associated with portfolio trading required to align the Merging Fund's portfolio with that of the Receiving Fund from November 30th, 2020 to the date of the Merger will be included in the calculation of the net asset values per share of the Merging Fund calculated for those days.

Costs and expenses of the Merger

The Merging Fund has no outstanding set-up costs. Any legal, advisory and administrative costs associated with the preparation and completion of the Merger will be borne by Auris Gestion, the management company of the Company (the "**Management Company**").

Exchange ratio, treatment of accrued income and consequences of the Merger

On the Effective Date, the assets and liabilities of the Merging Fund will be transferred to the Receiving Fund. For the shares of each class that they hold in the Merging Fund, shareholders will receive an equal amount by value of shares of the corresponding class (as described under section "Share classes and annual investment management fee changes" above), which will be issued without charge, without par value and in registered form, in the Receiving Fund. The exchange ratio of the Merger will be the result of the ratio between the net asset value of the relevant class of the Merging Fund and the net asset value of the relevant class of the Receiving Fund as of the Effective Date. While the overall value of the shareholders' holdings will remain the same, shareholders may receive a different number of shares in the Receiving Fund than they had previously held in the Merging Fund.

Any accrued income relating to the Merging Fund's shares at the time of the Merger will be included in the calculation of the final net asset value per share of the Merging Fund and will be accounted for after the Merger in the net asset value per share of the Receiving Fund.

Holders of shares in the Receiving Fund who do not wish to participate in the Merger, or who do not agree with the changes explained in the sections 1, 2 and 3 above (noting that these changes take effect on 31 December 2020), may redeem their shares or switch their holding, free from any charge, until January 11th 2021 (before the applicable dealing cut-off time), into any other sub-fund of the Company, details of which are disclosed in the current prospectus of the Company.

You should consult your own professional advisers as to the tax implications of the Merger under the laws of the country of your nationality, residence, domicile or incorporation.

Availability of Documents

The following documents are available from the registered office of the Company, upon request, free of charge:

- the common merger proposal;
- the latest Prospectus of the Company; and
- copies of the auditor's Merger report.

For further queries, you may contact the registered office of the Company or your usual local representative.

Yours faithfully,

Marc DE SAINT DENIS

Director

Sylvain AFRIAT

Director