

General information

Type of notification	Investment breach
Is it a new notification ?	Yes : Complete notification
Your reference	GEF - EM Local Debt - Cash Counterparty - 19/06/2023
General information concerning the undertaking for collective investment (UCI)	
UCI CSSF Number	6865
UCI Name	GLOBAL EVOLUTION FUNDS
Law applicable to the UCI	UCITS Part I Law 17.12.2010
Sub-fund CSSF Number	11
Sub-fund Name	EMERGING MARKETS LOCAL DEBT
Tolerance threshold applied	Tolerance threshold foreseen by circular CSSF 02/77
Please indicate the type of UCI	Bond UCIs - 0.50% of NAV

NOTIFICATION OF A NON-COMPLIANCE WITH THE INVESTMENT RULES IN ACCORDANCE WITH CIRCULAR CSSF 02/77

Details relating to the investment breach

Type of procedure applied	simplified procedure
Detection date of the investment breach (format DD/MM/YYYY):	20/06/2023
Period of the investment breach - Start Date (format DD/MM/YYYY):	19/06/2023
Period of the investment breach - End Date (format DD/MM/YYYY):	19/06/2023

Nature of the investment breach

Art. 43 (1) L2010 - 20% deposits

Description and cause of the investment breach

Active breaches of Art. 43 (1) L2010 - 20% deposits, and, Art. 43 (2) L2010 - 20% combined limit TS/MMI/deposits/FDI.

The breach is linked to a subscription received on 15/06/2023 (recorded on 16/06/2023 with settlement on 19/06/2023) amounting to 6.5 million, and more specifically linked to a US Bank Holiday on 19/06/2023 where the FX transactions entered into in order to invest the subscription in local currencies (i.e. from EUR to USD and from USD to Local currencies) could thus only settle on 20/06/2023 together with the securities' trades (to ensure availability of local cash on settlement date and avoid any overdraft which would have had a greater cost).

Concrete corrective measures/actions to close the investment breach

The FX transactions settlement date having been set to 20/06/2023, the breach cleared at the moment the USD-linked FX transactions and related securities' local transactions settled, i.e. 20/06/2023.

Concrete corrective measures/actions decided in order to avoid recurrence of same kind of breach

To avoid the recurrence of a breach in a similar situation, a prospectus update is being contemplated to allow for temporary investment in short-term securities, such as money-market instruments and/or money market funds from developed countries (in accordance with relevant regulations and applicable prospectus) enabling placement of excess cash for a short period of time and thus achieve better diversification to decrease counterparty risk.

Impact of the investment breach:	Gain
Amount of the impact in EUR:	19,95
Calculation method used for the determination of the impact:	accounting method
Details concerning method applied or other information / comments	average cost

The impact from the cash counterparty breach is the value of positive Interests applied to the accounts.

Impact of the loss on the NAV is higher than the tolerance threshold applied	No
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