



Global Evolution FUNDS

General information

Type of notification	Investment breach
Is it a new notification ?	Yes : Complete notification
Your reference	GEF - Emerging Markets Hard Currency Debt - Overdraft - 10/10/2022
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	3
Sub-fund Name	EMERGING MARKETS HARD CURRENCY 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):	11/10/2022
Period of the investment breach - Start Date (format DD/MM/YYYY):	10/10/2022
Period of the investment breach - End Date (format DD/MM/YYYY):	11/10/2022

Nature of the investment breach

Art. 50 (2) L2010 - 10% borrowings on a temporary basis

Description and cause of the investment breach

Active breach of Art. 50 (2) L2010 – “10% borrowings on a temporary basis” due to a misalignment between the settlement cycles of Shareholder's transactions and corresponding hedging (i.e. via means of an FX Spot) due to Bank Holidays.
As 10/10/2022 is a US Bank holiday, the EUR/USD FX Spot entered to cover a redemption (settling on 10/10/2022) settled on 11/10/2022 instead of 10/10/2022 thus creating an overdraft exceeding 10% until settlement of the FX Spot on 11/10/2022.

Concrete corrective measures/actions to close the investment breach

The FX Spot transaction settlement date having been set to 11/10/2022, the breach cleared at the moment the FX Spot settled, i.e. 11/10/2022.

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

The possibility being contemplated: Implementation of a "Netting Arrangement" on cash accounts with the depository.

Impact of the investment breach:	Loss
Amount of the impact in EUR:	101.14
Amount expressed in the sub-fund currency (if other than EUR):	104.25
	Please indicate the currency
	USD
Calculation method used for the determination of the impact:	accounting method
	average cost

Details concerning method applied or other information / comments

Without a netting agreement in place to net cash amounts between currencies, the impact from the Overdraft is the value of negative Interests applied to the account being in overdraft.

Impact of the loss on the NAV is higher than the tolerance threshold applied	No
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Details concerning the indemnification procedure	
Date of booking / recording of the provision (in the accounting) (format DD/MM/YYYY):	05/12/2022
Payment date (format DD/MM/YYYY):	01/12/2022
Sub-fund Investors	N/A

Entity responsible for the payment of the indemnification amount

Global Evolution Manco S.A. as Management Company.