The Directors of Ledbury SICAV plc whose names appear on Page ii of the Prospectus accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Addendum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Addendum No. 2

(the "**Addendum**")

to the Offering Supplement

relating to the offer of Investor Shares in several Classes in

Hanson Sustainable Income Fund

(the "Sub-Fund")

a Sub-Fund of

Ledbury SICAV p.l.c.

(the "Company")

1 March, 2021

MFSA MALTA FINANCIAL SERVICES AUTHORITY

APPROVED IN ACCORDANCE WITH ARTICLE 11 OF THE INVESTMENT SERVICES ACT CAP. 370

Important Notice: *This Addendum is to be read in conjunction with the latest Prospectus. This Addendum amends and supersedes what is contained in the Prospectus.*

LEDBURY SICAV P.L.C. (INCLUDING EACH OF ITS SUB-FUNDS) IS LICENSED AS A COLLECTIVE INVESTMENT SCHEME BY THE MALTA FINANCIAL SERVICES AUTHORITY ("MFSA") UNDER THE INVESTMENT SERVICES ACT (CAP. 370, LAWS OF MALTA) AND QUALIFIES AS A 'MALTESE UCITS' IN TERMS OF THE INVESTMENT SERVICES ACT (MARKETING OF UCITS) REGULATIONS (S.L. 370.18, LAWS OF MALTA). AUTHORISATION OF THE COMPANY AND ITS SUB-FUNDS BY THE MFSA DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY AND ITS SUB-FUNDS AND THE MFSA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY AND ITS SUB-FUNDS.

This Addendum No. 2, to the Offering Supplement of the Hanson Sustainable Income Fund, dated 8 February 2021 (the "**Offering Supplement**"), is supplemental to, and forms part of, the Offering Supplement. Capitalised terms used but not defined in this Addendum No. 2 shall have the same meanings as defined in the Offering Supplement.

(i) The following section shall be added to the section entitled '**The Investment Manager:**

The Company maintains a policy (the "**ESG Policy**") which integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes in respect of Environmental, Social and Governance issues ("**ESG**"), where applicable. The ESG Policy forms an integral part of its investment process and seeks to mitigate ESG and sustainability risks by ensuring that the Company only invests in companies or assets that are operated in an environmentally responsible manner, with respect for human rights and labour rights and providing good, healthy and safe working conditions and promote good governance conduct, always to the extent applicable and appropriate. Where applicable, consideration of potential ESG and sustainability risks related to a company or asset is integrated in the Company's investment process, from transaction sourcing and selection to approvals and execution.

The consideration of sustainability risks and opportunities, when applied, may have a material impact on long-term returns for Shareholders. Please refer to the section entitled '**Risk Factors**' in this respect.

Potential risks are further identified in the due diligence process, by means of screening for ESG controversies or further ESG analysis as warranted in context of the specific investments and addressed for each investment on a case-by-case basis pursuant to the Company's risk management framework and ESG Policy.

The Investment Manager shall adopt the Company's ESG Policy and shall adhere to the same level of ESG disclosures as the Company.

In respect of the Sub-Fund, the Investment Manager seeks to understand and identify material ESG factors that have investment ramifications, and which can have a material impact on the investment's long-term financial performance. The Investment Manager carries out an assessment and obtains information of ESG factors in respect of the individual investments in which it invests. This is done with a view to ensuring that ESG risk is identified and appropriately managed. As a result, the Company undertakes an assessment of the principal adverse impacts of its investment decisions on ESG factors. Where the PAI cannot possibly be determined due to insufficient disclosure or lack of tangible data, the Company will actively engage with the target company in question and should no commitment be made by the latter to mitigate the PAI, this matter will be factored into the decision-making process.

Please refer to the Annex included within this Addendum 2 for further details relating to the manner in which the Company takes into consideration sustainability risk into the investment decision making process of this particular sub-fund.

(ii) The following wording shall be added to the "**The Offering**" section of the Offering Supplement:

<u>Risk Factors specific to ESG Investments</u>

<u>Environmental, Social and Governance issues (ESG)</u>

The underlying assets are to be considered as containing sustainability factors given their nature. Sustainable finance is a relatively new field of finance. Currently, there is no universally accepted framework or list of factors to consider in ensuring that investments are sustainable. Also, the legal and regulatory framework governing sustainable finance is still under development.

The lack of common standards may result in different approaches to setting and achieving ESG objectives. ESG factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction.

The selection and weightings applied may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgmental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from that of the Sub-Fund.

The lack of harmonized definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

Applying ESG criteria to the investment process may exclude securities of certain issuers for non-financial reasons and, therefore, may forgo some market opportunities available to funds that do not use ESG or sustainability criteria.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings providing ESG data for a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision making processes to address ESG factors and risks, and because of legal and regulatory developments.

Integration of ESG Factors by the Investment Manager

The Investment Manager adopts various approaches in the inclusion of information on ESG factors in its investment decision making process with a view to managing the related ESG risks.

The Investment Manager also screens target companies/ products that promote and provide solutions that are consistent with ESG factors and aims at including such products in the portfolios managed by the Investment Manager. The Investment Manager will also positively recommend such products on an on-going basis.

The Investment Manager integrates information on ESG factors in its investment strategy, whereby ESG risks are considered in the broader investment process and analyses across the asset classes and ultimately in the investment decisions undertaken by the Investment Manager.

The Investment Manager aims to achieve long-term capital growth by integrating an ESG approach at the level of the Sub-Fund.

Due diligence risk

A due diligence process in relation to a potential investment may not reveal all facts that may be relevant in connection with the investment. Depending on the asset and type of investment the level of due diligence will vary. In some cases, only limited information is available about an investment in which the Sub-Fund is considering an investment. There can be no assurance that the due diligence investigations undertaken will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity, or that the diligence will result in an investment being successful.

PLEASE NOTE THAT this Addendum No. 2, including the Annex set out below, form an integral part of the Offering Supplement and that all other terms and conditions mentioned in the Offering Supplement shall remain unchanged.

Dated: 1 March 2021

Annex to the Offering Supplement

Sub-Fund Name: **Hanson Sustainable Income Fund**

This Sub-Fund:

☐ Promotes environment or social characteristics but does not have as its objective sustainable investment.
- ☐ It does not invest in sustainable investments.
- ☐ It invests partially in sustainable investments.

☒ **Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.**

Has a reference benchmark been designated for the purpose of attaining the sustainable investment objective of the financial product?

- ☐ Yes
- ☒ No

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1. What is the sustainable investment objective of the Sub-Fund?

The investment objective of the Sub-Fund is to provide an above average dividend yield and long-term capital growth. Furthermore, the Sub-Fund aims to invest in companies which have embraced sustainability in the areas of Environment, Society & Governance ("**ESG**"), to support companies that have embraced this agenda. The Sub-Fund will generally invest in those businesses which are seeking to make a net positive contribution to sustainability.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Sub-Find has a broad sustainable objective that is for example broader and deeper than simply seeking to reduce their carbon emissions. In order to achieve this, each holding in the Sub-Fund should make a 'net positive contribution to sustainability'. This is measured according to Arlington Capital's sustainable scoring system. This system is a series of tests which quantitively measure a company's sustainable output. The tests combine to form a score for each company which must be net positive for the stock to be included in the Sub-Fund. The aim is that the Sub-Fund's sustainable goals will be met if the portfolio as a whole will make a net contribution to sustainability based on these scores.

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2. What investment strategy does this financial product follow?

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Sub-Fund has a sustainable mandate Investment Policy so therefore investment decisions are based on implementing the Investment Policy as set out in the Offering Supplement.

In summary the Sub-Fund aims to invest in companies which have embraced sustainability in the areas of Environment, Society & Governance and to support companies that have embraced this agenda. The Sub-Fund will generally invest in those businesses seeking to make a 'net positive contribution to sustainability', as assessed using Arlington Capital's ESG scoring system. The tests combine to form a score for each company which must be net positive, i.e. above zero, for the stock to be included in the Sub-Fund. The aim is that the Sub-Fund's sustainable goals will be met if the portfolio as a whole will make a net contribution to sustainability based on these scores.

How is that strategy implemented in the investment process on a continuous basis?

The Sub-Fund has a broad sustainability mandate so therefore sustainability factors are continuously taken into account when making investment decisions.

What is the policy to assess good governance practices of the investee companies?

Good governance is an essential part of sustainability investing and a wide range of governance factors are assessed before making investment decisions.

Where can I find further details on the investment strategy?

Please refer to the section entitled '**Investment Objective, Policy and Restrictions**' within Offering Supplement of the Sub-Fund and on the Company's website.

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3. What is the asset allocation planned for this financial product?

#1 – Sustainable: 100%

#2 – Other: 0%

The Sub-Fund has a broad sustainable mandate, as a result the Sub-Fund does not intend to invest in Other assets.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

N/a

How does the proportion and use of such investments not affect the delivery of the sustainable investment objective?

N/a

How does the use of derivatives attain the sustainable investment objective?
[include where derivatives are used to attain the sustainable investment objective]

Derivatives are not used as part of the Sub-Fund's day to day operations.

How will sustainable investments contribute to a sustainable investment objective and not significantly harm any sustainable investment objective?

See section 2 above.

In summary, Arlington Capital in managing the Sub-Fund recognises that certain companies, industries and countries with weak ESG structures present additional business risks. As part of the diligence process Arlington will be aware of where and how such risks exist. Arlington's sustainable scoring system is a series of tests which combine to form a score for each company which must be net positive, i.e. above zero, for the stock to be included in the Sub-Fund. The aim is that the Sub-Fund's sustainable objectives will be met if the portfolio will make a net contribution to sustainability based on these scores.

How are indicators for adverse impacts on sustainability factors taken into account?

The investment decision making process for the Hanson Sustainable Income Fund is outsourced by the Company to Arlington Capital. During the due diligence phase, Arlington evaluates the ESG-related risks to identify any principal adverse risks that could damage a company's operations and reputation, while also thoroughly analysing the operating history to highlight any ESG-related defaults and losses. Arlington's sustainable scoring system is an ESG checklist to identify potential ESG-related issues and risks from a company. The checklist consists of a standard set of environmental, social and governance questions for all investments, regardless of sector. The system scores a company's ESG / sustainable performance, and the tests are scored qualitatively and quantitively using positive and negative factors. These are in the following areas: climate tests, resource efficiency tests, undesirable activity tests, social tests and governance tests. An annual report of these findings will be made available to investors.

Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

No

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4. Does this product take into account principal adverse impacts on sustainability factors?

☒ Yes
☐ No

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5. Can I find I find more product specific information online?

More product-specific information can be found on the website: [insert hyperlink to the website]

Is a specific index designated as a reference sustainable benchmark to meet the sustainable investment objective?

The Sub-Fund's benchmark, being the FTSE100, is a broad market benchmark which does not measure the effectiveness of its sustainable objective. The Sub-Fund's benchmark is used for risk management analysis and, in particular, as a relative measure of volatility and liquidity. The Sub-Fund's sustainability objectives are measured via the Investment Manager's sustainable scoring system which it has developed for the purpose.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***Why and how does the designated index differ from a relevant broad market index?***

  Not applicable

Does the financial product have the objective of a reduction in carbon emissions?

The Sub-Fund does not have a specific objective of seeking to invest in companies that are lowering their carbon emissions.