1. DEFINITIONS

Sustainability risk:	An environmental, social or governance event or condition that, if it occurs, could cause an actual or potentially material negative effect on the value of the investment
SFDR:	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosure of sustainability in the financial sector (the "Sustainable Finance Disclosure Regulation")

3. INVESTMENT POLICY

Investment Objective
The objective of the Fund is to grow capital over time at an acceptable risk. The Fund aims for an average return over the long term (10 to 15 years) of at least 7% per year, after deduction of all costs.

General
The investment policy is mainly based on an exploration of macroeconomic trends and a detailed analysis of individual companies. The Fund focuses on the very long term. The result is a selection of only those stocks and bonds that are characterized by a combination of high returns, good prospects, a healthy financial position, limited risk and an extremely long track record. The latter condition in particular, is met by only a limited number of companies and governments worldwide. This selection forms the core of the investment portfolio.

With regard to equities, investments will be made in this way in approximately 10 to 20 solid companies selected by the Investment Manager, preferably located in one of the SUN countries (Switzerland, United States of America and The Netherlands), hereinafter: 'solid stocks'. In addition, investments can be made (for a maximum of 30% of the portfolio) in 'specials' promising companies that do not meet the criteria for solid stocks and that do not need to be established in a SUN country.

Solid stocks
Based on the analysis of publicly traded companies that are considered solid (the universe), the Investment Manager makes a 'long list' of solid stocks that are regarded as potential candidates for the Hoofbosch portfolio. The criteria for inclusion on the 'long list' are:

- stable management
- stable dividend
- stable sector
- long history
- preferably headquartered in Switzerland, US or the Netherlands
- company pays attention to diversity
- acceptable sustainability risks.

After an initial interest has been taken in a particular company, this investment can, as long as the Investment Manager believes that the company meets the requirements set, vary in size, proportionately with the growth or contraction of the fund's assets, or be gradually expanded or reduced. The weight in comparison to the other solid shares in the portfolio is always taken into account. Under normal circumstances, it is not the intention that a position within the portfolio of solid stocks will become disproportionally large, although temporary deviations are possible. This means that the Investment Manager endeavors to reduce or increase a certain position that has 'fallen out of sync' over the course of the rise or fall of the price, in order to restore the balance in the portfolio.

Specials
The classification 'specials' refers to shares of companies that do not meet the qualitative and quantitative criteria that are used for solid stocks, but where, in the opinion of the Investment Manager, there is the prospect of explosive earnings growth and / or explosive price gains in the foreseeable future. "Specials" might be takeover candidates or in a 'turn-around' situation (for example, there is a significant change in the activities, strategy or organization of a company). A special can also be a company with potentially 'disruptive' characteristics.

The only formal criteria that a special must meet are:
- stock exchange listing (not in an emerging market); and
- a market capitalization at the start of the investment of at least 100 million euro.

Specials will, by their very nature. remain in the portfolio for a shorter time than solid stocks.

Solid bonds
The Fund may invest in bonds issued by governments designated as solid by the Investment Manager. The criteria that the Investment Manager applies for the selection of government bonds are: strong economy, stable political situation, long history of interest payments (always paid interest and debts in the past 200 years) and stable currency. The Investment Manager is of the opinion that only Switzerland, the Netherlands and the United States meet these criteria.

Gold
In addition, a maximum of 10% of the fund's assets can be invested in gold.

Risk management: 'imagining versus predicting'
The investment policy is based on the conviction that the future cannot be predicted. Scenario planning will therefore be used when selecting the investments. This means that different ideas about the future are taken into account. In the selection process, core uncertainties are formulated at both country and company level. These form the basis for a number of scenarios of the future. Based on these scenarios the various investments are tested for risk. This is an intensive and continuous process.

Policy on sustainability risks
Sustainability risks are taken into account when selecting and monitoring the investments. Sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potentially material adverse effect on the value of the investment. (For a more detailed description of these risks, see section 4, 'Risks' below.)

To manage sustainability risks related to equities, the Fund prefers to invest in equities of companies that act predominantly in accordance with the UN Global Compact Principles, the United Nations guidelines for good governance in the areas of human rights, working conditions, anti-corruption and the environment. To this end, the Investment Manager carries out his own research, which also examines how the companies take sustainability risks into account in their long-term strategy. This investigation relies, in part, on sustainability research from external specialized research agencies. The Investment Manager is of the opinion that investing in shares of companies that act predominantly in accordance with the UN Global Compact Principles will make a positive contribution to the long-term return of the Fund, because such companies run fewer sustainability risks relating to human rights, working conditions, anti-corruption and the environment than companies that do not.

Government bonds
The Fund may invest in government bonds of Switzerland, the Netherlands and the United States because these countries meet the criteria set out above under the heading 'Solid Bonds'. Sustainability risks are not a consideration in the selection of maturities or types of bonds issued by these countries.

Unfavorable effects of sustainability factors
In the field of sustainability, the Investment Manager's activities amount to assessing the impact of sustainability risks on the performance of the Fund, in the manner described above. The Investment Manager does not take into account, in the manner referred to in Article 7 paragraph 1 of the SFDR, what effects his investment decisions could have on environmental, social and employment matters, respect for human rights and the fight against corruption and bribery. The Fund does not promote environmental and / or social characteristics ('light green investments' as referred to in Article 8 SFDR), nor does it focus on sustainable investments ('dark green investments' as referred to in Article 9 SFDR).

Regulated markets
The Fund may invest in financial instruments traded on regulated markets anywhere in the world.

Short-term investments
Depending on market conditions, it may be decided to invest the uncommitted portions of the fund in short-term interest-bearing funds with one or more financial institutions under prudential supervision or to invest in government bonds of Switzerland, the United States and the Netherlands (SUN countries).

Investment Restrictions
The Fund will adhere to the following restrictions when executing its investment policy:

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The Fund will adhere to the following restrictions when executing its investment policy:

a. Only up to 30% of the Fund's Net Asset Value may be invested in listed 'specials' which:
    (i) have a market capitalization of at least EUR 100 million;
    (ii) are not listed in an emerging market;
b. investments may only be made in listed shares and bonds (whereby automatically acquired rights do not have to be sold);
c. up to 10% of the Fund's Net Asset Value may be invested in gold;
d. no debt capital may be attracted;
e. the Fund may not lend securities.

Voting behavior in shareholders' meetings of companies in which the Fund invests
The Investment Manager is deemed to dispose of the shares held by the Legal Owner and the associated votes. In principle, the Investment Manager will make use of the voting rights associated with the shares held by the Fund. In doing so, the Investment Manager will use the voting right in such a way that supports the Fund's investment objective.

Changes to the investment policy or investment restrictions
The Investment Manager is at all times authorized to change the investment policy or the investment restrictions. Changes will be announced to the (e-mail) address of the Participants and on the Website. Such changes will not take effect until one month after they are announced.

4. RISKS

Interested investors are expected to be aware of the risks associated with participating in the Fund. A careful selection of the investments and compliance with the investment restrictions do not guarantee positive returns. The Participant cannot lose more than his investment. The main risks associated with investing in the Fund are the following:

Return risk
The return on the investment in Participations over the period from purchase to sale is only determined at the time of sale of that investment. The Fund aims for an average long-term return of 7% per annum, after deduction of all costs. There is no guarantee that this investment objective will be achieved and no return is guaranteed. The value of Participations depends, among other things, on the development of the value of the investments of the Fund and on the choices made in the implementation of the investment policy. Nor can there be any guarantee that analyses by the Investment Manager of expected developments in the short or longer term are correct. There is a chance that the Participants will get back less than they have invested.

General market risk
The value of the Fund is subject to the risk of overall falls and rises in financial markets.

Price risk
Investors should be aware that the market price of the shares and bonds in which the Fund holds positions may fall as a result of specific circumstances relating to an issuer.

Sustainability risks
Sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potentially material adverse effect on the value of the investment. Ecological sustainability risks concern, for example, climate change, water scarcity and the use of natural resources. Social risks include product liability and respect for labor rights. In the field of governance, risks may arise with regard to remuneration, stability and diversity of directors, business ethics and shareholder rights.

Sustainability risks can occur in many forms and can result in other (financial) risks. When a company is negatively in the news as a result of an environmental or labor issue, this can have a negative effect on the valuation of that company. Another example is that a company has not sufficiently adapted its business model or operational activities on the basis of important developments, such as the transition to a sustainable economy or possible consequences of climate change such as floods. Such situations can limit the operational capacity and profitability of a company. Governments are also exposed to sustainability risks. The consequences of climate change, respect for human rights, political stability and level of corruption in a country are some of the issues that affect the economic stability of a country. When a sustainability risk materializes with a particular investment, it will have a negative effect on the value of that investment. The sustainability risk is considered higher for investments in companies than for investments in government bonds.

Currency risks
The Fund does not hedge currency positions. Investments other than in € can therefore cause fluctuations in the Net Asset Value of the Fund, both positive and negative.

Systemic risk
Events in the world or activities of one or more major parties in the financial markets can disrupt the normal functioning of the financial markets. This could result in large losses due to liquidity and counterparty risks generated by that disruption.

Credit risk
The value of investments in fixed-income securities is influenced by a positive or negative development in the creditworthiness of the relevant governments.

Risks of a general economic and political nature
Investments of the Fund are subject to risks of a general economic nature such as decline in economic activity, rise in interest rates, inflation and rise in commodity prices. The value of the Fund's investments may also be affected by political developments and terrorist activities.

Concentration risk
Since investments will only be made in approximately 10 to 20 companies, this may lead to greater fluctuations in the Fund's Net Asset Value than if more diversified investments were made. The Fund's strategy may cause the Fund's returns to deviate significantly from world equity indices. This creates specific risks that can be reflected in significant differences in the performance of the Fund and the world stock indices, both positively and negatively.

Inflation risk
This is the risk that the purchasing power of the amount invested in the Fund by the Participant will decrease as a result of monetary depreciation.

Risk of limited redemption options
Participations can only be transferred to the Fund. In principle, the Fund is only obliged to redeem Participations once a month, on a Transaction Day, whereby the Investment Manager is entitled under certain circumstances to suspend redemption or only partially honor redemption requests (see also paragraph 12: 'Redemption of Participations'). This means that between the moment a Participant decides to sell Participations and the moment this can be realized, there is a risk of a decrease in value, as a result of which the sale proceeds will be lower than if the sale could have been implemented immediately.

Liquidity risk
This is the risk that an interest cannot be sold on time at a reasonable price.

Counterparty risk
There is a risk that an issuer, a party with which the Fund holds liquid assets or another counterparty, may default on its obligations.

Operational risk
There is a risk that losses may arise from shortcomings in internal processes and systems, human errors or external events.

Risk that the Depositary does not offer recourse
The Depositary is liable for loss (by the Depositary or by a third party to which the custody has been transferred) of financial instruments that may be taken into custody, unless such liability has been transferred with the consent of the Investment Manager. In addition, the Depositary is liable for the consequences of intentional or negligent failure to properly fulfill its obligations under the Applicable Regulations. There is a risk that the Depositary will not offer redress.

Settlement risk
This is the risk that settlement through a payment system does not take place as expected, because the payment or delivery of the financial instruments by a counterparty does not take place, or does not take place on time or as expected.

Risk of changes in (tax) regulations
This is the risk that the tax treatment of the Fund will change in a negative way or that existing tax or other laws and regulations will arise that has a negative effect on the Fund and/or its Participants.

Erosion risk
If the size of the Fund decreases (due to exits and/or a decrease in the value of the investments), the fixed costs of the Fund will weigh more heavily on the (remaining) Participants than if the size of the Fund remains the same or increases.

17. REPORTING AND PROVISION OF INFORMATION

Prospectus
A copy of the Prospectus will be provided to everyone free of charge upon request. It can also be downloaded from the Website.

Annual report
The Fund's financial year runs from January 1 to December 31. The annual report is in € and is published on the Website within six (6) months after the end of the financial year. The annual report includes a comparative overview of the development of the Fund's assets and the income and expenditure over the past three (3) years. The annual report will also contain the information as referred to in article 23, paragraph 4, of the AIFM Directive on: (a) the percentage of the portfolio to which a special scheme applies due to the illiquid nature of certain investments (if and to the extent applicable); (b) any new arrangements regarding the management of the liquidity of the investments; and (c) the current risk profile of the portfolio and the risk management systems with which the Investment Manager manages the risks.

The financial statements are audited by Mazars Accountants N.V. The annual report in which the financial statements are included is available for inspection at the office of the Investment Manager and is available free of charge. It is also placed on the Website where it can be downloaded.

Semi-annual report
After the end of the first half of the financial year, half-year figures are drawn up and are published no later than 1 September. The semi-annual report is available for inspection at the Investment Manager's office and is available there free of charge. It is also placed on the Website where it can be downloaded.

No annual statement of main adverse effects of investment decisions on sustainability factors

The Investment Manager does not apply Article 4 paragraph 1 b SFDR and therefore does not provide an annual statement showing what the most important adverse effects of the investment decisions are or may be on environmental, social and employment matters, respect for human rights, and the fight against corruption and bribery (the so-called 'principal adverse sustainability impacts statement'). This for the following reasons:

(i) Hoofbosch's objective is to grow capital over time at an acceptable risk. Investors in Hoofbosch expect the Investment Manager to invest in accordance with this objective and that sustainability risks are taken into account in the context of risk management. However, managing to avoid adverse effects of investment decisions on sustainability factors is not part of the investment objective. Therefore, issuing a statement about this (with the aid of which Participants can assess the results of such a policy) is not meaningful.

(ii) If the Investment Manager were to decide to issue a principal adverse sustainability impacts statement, numerous detailed regulations would have to be taken into account when drafting this, many of them are not relevant to Hoofbosch, given its investment universe and investment strategy.

(iii) The information required to draw up a principal adverse sustainability impacts statement is not available within Hoofbosch, and measures should therefore be taken to be able to publish such a statement. The possible added value for Participants of the statement is disproportionate to the costs, amount of time and attention that will be involved in the preparation and maintenance thereof.

(iv) Reconsideration of the foregoing may become relevant in various circumstances, for example, if Hoofbosch evaluates its investment strategy or if Hoofbosch learns from the Participants that they wish to see such a statement.

This is a translation from Dutch. If there are differences between the Dutch and the English version of this document, the Dutch version will prevail.