TENDERCAPITAL FUNDS PLC

(the Company)

An open-ended umbrella investment company with segregated liability between sub-funds.

A company incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland, pursuant to the European Communities (Undertaking for the Collective Investment in Transferable Securities) Regulations, 2011, as amended, with registered number 519833.

ADDENDUM TO THE PROSPECTUS OF THE COMPANY DATED 18 NOVEMBER 2019 (the Prospectus) AND THE SUPPLEMENTS OF TENDERCAPITAL SECULAR EURO AND TENDERCAPITAL GLOBAL BOND SHORT DURATION FUND DATED 18 NOVEMBER 2019 AND THE SUPPLEMENT OF TENDERCAPITAL BOND TWO STEPS DATED 27 JANUARY 2020 (the Supplements)

This Addendum is supplemental to, forms part of and should be read in conjunction with, the Prospectus and the Supplements.

The Directors of the Company accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus and Supplements shall, unless the context otherwise requires, have the same meaning when used in this Addendum. For the purposes of interpretation, in the event of any conflict between this Addendum and the Prospectus and Supplements, any such conflict shall be resolved in favour of this Addendum.

IMPORTANT: If you are in doubt about the content of this Addendum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

DATED 8 MARCH 2021

The purpose of this Addendum is to update the Prospectus and the Supplements to address Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended) ("**SFDR**").

1 PROSPECTUS OF THE COMPANY

DEFINITIONS

Section 2 of the Prospectus entitled 'Definitions' is amended by the insertion of the following:

"***ESG*** means environmental, social and governance matters;

SFDR means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

Sustainability Factors means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

Sustainability Risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;"

FUNDS

Section 3 of the Prospectus entitled 'Funds' is amended by the insertion of the following as a new sub-section at 3.4 and the following sub-sections are re-numbered accordingly:

"**3.4 Environmental, Social and Corporate Governance Factors**

Pursuant to Article 6 of SFDR, financial market participants, such as the Manager, are required to disclose in the prospectus of UCITS funds they manage, the manner in which Sustainability Risks are integrated into the investment decision making process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available, being the Funds.

Integration of Sustainability Risks

The extent to which Sustainability Risks represent potential or actual material risks to a Fund is considered by the Investment Manager in its investment decision making and risk monitoring for all of the Funds. Along with any other material risk, the Investment Manager will consider Sustainability Risks in order to seek to maximize long-term risk-adjusted returns for a Fund. In the event that a Sustainability Risk arises, this may cause the Investment Manager to determine that a particular investment is no longer suitable and to sell it or decide not make an investment in it.

Assessment of Likely Impacts on Returns

An assessment is undertaken of the likely impacts of the Sustainability Risks on the returns of the Funds.

Assessment of Sustainability Risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and may be incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of Sustainability Risks on the Company’s investments or proposed investments.

The impacts following the occurrence of a Sustainability Risk may be numerous and may vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value.

Any Sustainability Risk can either represent a risk on its own or have an impact on other risks and contribute significantly to other risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Further detail to address Article 6 at the level of the Funds is available in the relevant Supplement.

ESG Policy

Since its creation, the Investment Manager has put responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards a sustainable society and that ESG is a long-term driver of financial performance.

Moreover, the Investment Manager is a signatory since 2017 to the internationally recognised Principles for Responsible Investment (**PRI**) and, as such, has developed an internal procedure for the analysis, evaluation and classification of issuers according to ESG factors (the **ESG Policy**), as further detailed below. The PRI constitutes the basis of the responsible investment strategy adopted by the Investment Manager and incorporates the essential elements described below. As the PRI are becoming the global standard in responsible investing, it was a natural framework for the Investment Manager to adopt those principles in order to further strengthen its on-going commitment to responsible investing and ESG matters generally. The Investment Manager encourages the investment team to utilise ESG knowledge in the investment decision-making process within the relevant strategies. A strong ESG proposition can enhance investment returns by allocating capital to more promising and more sustainable opportunities.

The Investment Manager's ESG Policy describes an ESG strategy that is based on three main areas:

1. Investment criteria

The Investment Manager does not consider for its investment process:

(i) corporate issuers involved in the manufacturing or sale of weapons prohibited by the United Nations and/or utilisation violates fundamental humanitarian principles,
(ii) government or sovereign issuers involved in systematic human rights violations.
(iii) an illegal economic activity (that is, any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant investment);
(iv) casinos and equivalent enterprises;

Whilst the exclusion criteria are one of the pillars on which the Investment Manager's ESG Policy is based, the Investment Manager does not deem exclusions alone as the most important way of integrating ESG considerations into its investment process.

2. ESG analysis:

The Investment Manager makes use of ESG analysis carried out by third party ESG data providers. Such ESG data providers consider different environmental (which may include, by way of example only, and not limited to, biodiversity, emissions, energy efficiency and energy performance), social (to include, as examples only, and not limited to, human rights, social and employee matters,) and governance indicators (to include, as examples only, and not limited to, corporate social responsibility, internal governance and compliance) , and assign scores and ratings to issuers, which the Investment Manager has analysed when assessing prospective issuers for investment.

The Investment Manager actively monitors the ESG scores and ratings provided by third party ESG data providers. The Investment Manager has adopted a process with ESG ratings in order to identify, assess and, if necessary, avoid exposure to issuers with poor ESG ratings. This process is managed by an ESG team composed of different functions, being investment, risk, compliance and legal and supervised by the board of directors of the Investment Manager (the ESG Team). The ESG Team provides advisory support to the Board of Directors of the Investment Manager in the definition, review and implementation of the ESG Policy. The Board of Directors of the Investment Manager defines the ESG Policy and any subsequent revisions to the same and periodically verifies that the ESG Policy has been correctly implemented based on checks and controls carried out by the Investment Manager. The ESG Policy is re-assessed at least once a year to determine whether any update is required, taking into account national and international trends in responsible investment.

3. Active monitoring of ESG scores and ratings provided by third party ESG data providers.

The Investment Manager has adopted a process to actively monitor issuers' ESG ratings in order to identify, assess and, if necessary, avoid exposure to issuers with poor ESG ratings. This process, roles and interaction between the ESG Team and the Board of Directors of the Investment Manager is the same as for the ESG analysis.

Further details of the Investment Manager's ESG Policy that applies to all of the Funds are available on the Investment Manager's website: https://tendercapital.com

Principal Adverse Impacts

Pursuant to Article 4 and Article 7 of SFDR, financial market participants are required to publish details on whether or not they consider principal adverse impacts of their investment decisions on Sustainability Factors.

The Manager does not currently consider the principal adverse impacts of its investment decisions on Sustainability Factors, due to the lack of information and data available to adequately assess such principal adverse impacts."

RISK FACTORS

Section 4 of the Prospectus entitled 'Risk Factors' is amended by the insertion of the following as a new sub-section at 4.33:

"4.33 Sustainability Risks

Sustainability Risks may arise in respect of an issuer itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental Sustainability Risks, including risks arising from climate change, are associated with events or conditions affecting the natural environment. Social risks may be internal or external to an issuer and are associated with employees, local communities, customers or populations of companies or countries and regions. Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies and issuers.

Loss of investment value following a Sustainability Risk may occur in numerous ways. For investments in a corporate issuer, losses may result from damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. Laws, regulations and industry norms play a significant role in controlling the impact of sustainability matters on many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate's management team may be diverted from furthering its business and be absorbed seeking to deal with the Sustainability Risk, including changes to business practices and dealing with investigations and litigation. Sustainability Risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which a Fund is exposed may also be adversely impacted by a Sustainability Risk. Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability which may cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such scrutiny may also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

Sustainability Risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of a Fund. For example, the occurrence of a Sustainability Risk can give rise to financial and business risk, including though a negative impact on the creditworthiness of other businesses."

2 <u>SUPPLEMENTS OF TENDERCAPITAL BOND TWO STEPS, TENDERCAPITAL SECULAR EURO AND TENDERCAPITAL GLOBAL BOND SHORT DURATION FUND</u>

INVESTMENT OBJECTIVE AND POLICIES

Section 1 of the Supplements entitled "Investment Objective and Policies" is amended by the insertion of the following as a new heading and paragraph after the disclosure under the heading entitled 'Form of Investments':

"**Environmental, Social and Corporate Governance Factors**

The extent to which Sustainability Risks represent potential or actual material risks to the Fund is considered by the Investment Manager in its investment decision making and risk monitoring. Along with any other material risk, the Investment Manager will consider Sustainability Risks in order to seek to maximize long-term risk-adjusted returns. In the event that a Sustainability Risk arises, this may cause the Investment Manager to determine that a particular investment is no longer suitable and to sell it or decide not make an investment in it. While difficult to assess the impact of Sustainability Risks as a whole on the Fund, the Investment Manager would expect the impact of Sustainability Risk to be low to moderate in light of the diverse nature of the investments of the Fund."

In addition to the integration of Sustainability Risks, the Investment Manager has an ESG Policy in place that applies to this Fund. Details of the Investment Manager's ESG Policy and disclosure to comply with the requirements of SFDR are set out in the Section of the Prospectus entitled "Environmental, Social and Corporate Governance Factors".