ABN AMRO Funds

Société d'Investissement à Capital Variable

Registered office: 49, avenue J.F. Kennedy L-1855 Luxembourg

R.C.S. Luxembourg: B78762

(The "**Company**")

NOTICE TO THE SHAREHOLDERS OF THE SUB-FUND
"ABN AMRO Funds Parnassus US ESG Equities"
OF THE COMPANY

The shareholders of the above-mentioned sub-fund (the "**Sub-Fund**") are hereby informed of the following:

Deletion of the use of derivatives for investment purposes

The board of directors (the "Board of Directors") of the Company has decided to delete the use of derivatives for investment purposes.

ESG-related amendments

The Board of Directors of the Company has decided to amend the precontractual documents of the Sub-Fund to reflect the new ESG policy of the investment manager as shown below (additions in bold and deletions in strikethrough). This change will not impact the current portfolio, fee structure nor risk profile of the Sub-Fund.

"What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

> *~~The portfolio will be partially composed of companies exposed to the UN Sustainable Developments Goals (SDGs).~~ The Sub-Fund invests in companies contributing positively to environmental and social solutions. ~~The Sub-Fund seeks to achieve positive environmental impact by investing primarily in companies that are leading the way to a zero-carbon economy and have approved Science-Based Targets.~~ To define the sustainable investment universe, a "pass-fail" approach is used using a set of criteria. The DNSH principle is applied on all Sustainable Investments.*
>
> *[...]*
>
> *~~Being aligned with the International Energy Agency (IEA) Sustainable Development Scenario (SDS) for the full analysed period (until 2050). The criterion is sourced from the external data provider ISS and identifies the year in which the company estimated future carbon emissions are non-longer aligned with the~~*

~~*issuer's estimated carbon emissions budget required to be aligned with the IEA SDS.*~~

[…]

What investment strategy does this financial product follow?

*The External Investment Manager has set up a process that integrates fundamental and ESG (Environment, Social and Governance) research to assess the business quality and valuation of potential companies. The ESG assessments include both ~~exclusionary~~ screen**ing**s and a bottom up ESG evaluation. The investment strategy relies on a three-step process:*

- ~~*In order to determine ESG performance, the External Investment Manager reviews first scoring from third-party ESG ratings providers (MSCI, ISS and Sustainalytics), evaluates how business controversies may materially impact companies, eliminates companies with exposure to controversial business lines, and performs a qualitative assessment on a broad range of ESG factors. The first task of the External Investment Manager is then to evaluate potential investments to ensure that they are compliant with the firm's exclusionary screens (Gambling, Alcohol, Tobacco, Weapons, Fossil Fuels).*~~ ***To focus, the External Investment Manager team's resources on identifying and selecting high-quality companies, the External Investment Manager applies a Sustainability Lens to identify companies that they believe may operate in a manner that is inconsistent with the External Investment Manager's Principles and investment philosophy (the "Caution List"). These are companies that they believe are exposed to heightened risk through their core business activities or due to problematic conduct or governance. The External Investment Manager may invest in a company on the Caution List and/or remove it from the list based on individual evaluations of the needs of each investment fund or mandate.***
- *In a second step, the External Investment Manager performs an extensive analysis of retained companies in order to evaluate their ESG profile including ~~ESG~~ relevant **ESG** issues (material risks and opportunities) within the context of the underlying sector and industry. The External Investment Manager analyses each investment candidate's **material** environmental, social and governance record, including their environmental impact; how they treat their employees; the quality of their relationships with local communities, customers and the supply chain; and their corporate governance policies and practices. This analysis ~~emphasizes~~ **focuses on** the issues that are most relevant and risks that are most material to the company. **The framework used to analyze materiality is 1) financial - risks that may affect the financial performance and success of a company and 2) reputational – whether the company's public perception may be impacted by its management of material ESG topics.** ~~and compares the company under review with their peers The External Investment Manager assigns a proprietary rating to each company depending on their assessment of how well the company is managing material and reputational risks. These scores help determine whether the company meets the ESG threshold to be considered for investment.~~*
- ***An ESG risk assessment is completed for each potential holding**. ~~A one-page ESG risk report is compiled for each potential holding.~~ The ~~report~~ **assessment** distils*

*available ESG information, summarizes key positives and risks, documents ~~the numeric reputational~~ and material risk**s** ~~scores~~ described above, and identifies opportunities for engagement.*

- *~~Each security is issued a materiality risk and reputational risk rating. Materiality risk refers to the likelihood of a company being financially impacted by its management of ESG topics. Reputational risk refers to the likelihood of a company's reputation being impacted by its management of ESG topics. The ratings use a 1 – 4 scale with 1 being a low-risk and 4 being a severe risk. Positive (+) and negative (-) modifiers are used to determine trajectory of the ratings. Securities that are scored a 4 in either their Materiality or Reputational risk rating indicates a "Fail Recommendation".~~*
- *Companies rated in the bottom ~~quartile~~ **20%** of the investment universe, as assessed by the ESG process, will not be considered for investment.*

*This ~~report~~ **assessment** is a tool for the Chief Investment Officer of the External Investment Manager to use in making a final decision about whether the company is eligible for inclusion in the portfolio.*

[…]

<u>*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*</u>

[…]

- ***The Sub-Fund will not invest in companies that do not pass the External Investment Manager ESG suitability. As part of the ESG inclusion process, companies that have levels of ESG risk that the External Investment Manager believes are within the three first quartiles of the universe are eligible for investment.*** *~~The Sub-Fund will not invest in companies that do not pass the External Investment Manager ESG suitability analysis in terms of Exclusion and ESG inclusion. As part of the ESG inclusion selection process of the External investment Manager, are eligible for investment companies that score within the three first quartiles of the universe as defined by the External investment Manager ESG scoring methodology.~~*
- *~~A part of the exclusion policy of the External Investment Manager, are excluded from investment:~~*
    - *~~companies that generate more than 10% of revenues from (or are the market leaders in) (i) Manufacture of Alcohol (ii) Fossil Fuels (iii) Extraction, exploration, production and/or refining of fossil fuels~~*
    - *~~companies operating in some controversial business activities such as deforestation, for-profit education or private prisons~~*

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As from 27th February 2025, the shareholders of the Sub-Fund who do not approve of the above changes will have the possibility to redeem or convert their shares free of charge until 28th March 2025.

The updated prospectus of the Company dated 1st April 2025, and related key information documents will be available free of charge at the registered office of the Company.

Luxembourg, 26th February 2025

The Board of Directors