

**KEY INFORMATION DOCUMENT**

**Purpose**

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

**Product**

**Name:** Shares of Incofin CVSO CVBA-SO

**Manufacturer:** Incofin CVSO CVBA-SO (the “Fund”), a Belgian cooperative company with limited liability with social purpose. The Fund is recognized by the National Cooperation Council and is also a recognized development fund. The Fund has the status of a Belgian small scale self-managed alternative investment fund.

**Competent Authority:** Financial Services and Markets Authority ([www.fsma.be](http://www.fsma.be))

**Contact Details:** [www.incofincvso.be](http://www.incofincvso.be); +3238292536

**Date of this document:** 19 July 2023.

**You are about to purchase a product that is not simple and may be difficult to understand.**

**What is this product?**

**Type** Shares of the Fund. It issues two types of shares: (i) “whole” shares each with a denomination of € 2,604 and (ii) “twentieths of a share” each with a denomination of € 130.20. There is no distinction in rights between the types of shares. The shares give rights in proportion to the fraction of the issued capital they represent. The shares are registered.

**Strategy** The investment policy of the Fund aims to achieve a balanced combination of financial and social benefit by investing in a diversified debt and equity portfolio in emerging markets (Africa, Asia, Eastern Europe and Latin-America). It thrives to realize a reasonable financial return combined with social impact by contributing to social-economic development through financial inclusion. The Fund invests directly, through equity participations and loans, or indirectly in microfinance institutions or other financial institutions active in the area of inclusive financial services to support small business in emerging markets. The Fund applies clear investment criteria when selecting investments; it takes into account: the impact of the investment on the local economy, the quality of the management, the financial situation, the track record of the business and the prospects for the business. Prior to making investments, a thorough due diligence is performed to ensure that each investment complies with the Fund’s investment policy and the final investment decision is taken by the Fund’s investment committee. The Fund’s return is dependent on the performance of its investment portfolio consisting of loans and equity participations in financial service providers and other companies seeking impact. The Fund’s financial performance, and thus the amount to be paid out to an investor, is influenced by the borrowers’ ability to repay, as well as the capital gain realized on the sale of equity participations. The recommended holding period of the shares is 5 years taking into account the risk and return profile of the investment portfolio composed of: (i) loans with an average maturity of 2 to 3 years (and 5 years for subordinated loans), and (ii) equity participations that are held for a minimum period of 5 years. The composition of the investment portfolio is available in the annual report (<https://incofincvso.be/en/downloads/>).

The return on an investment in the shares of the Fund is limited to any dividends paid out, as in the case of withdrawal, exclusion or dissolution, the maximum amount paid to an investor is equal to the nominal value of the shares. There is no potential for capital gains on the shares themselves, while the risk of capital losses on the Fund’s shares is not excluded. An investor may thus lose all or part of the investment.

The financial return consists in a dividend if it is proposed by the board of directors of the Fund and if it is approved by the meeting of shareholders. The maximum amount of a dividend is limited to 6% of the fully paid-up capital. Where an investor is entitled to a distribution of the value of his share in the Fund, this value is determined in accordance with Article 14 of the Articles of Association as the lower of the following two amounts: (i) the nominal value of the share and (ii) the book value of the share, calculated by dividing the shareholders’ equity, as shown in the last approved annual accounts prior to the exit, minus the reserves, by the number of existing shares. If necessary, this payment will be reduced by any outstanding obligations for the payment in full of the share.

**Intended Investor** This product is intended for investors who wish to achieve social impact above profit maximization. The investor must be prepared to take on the risk of loss of his or her original capital. The product is suitable for the retail investor with an investment horizon of at least five years, who has sufficient knowledge and experience to assess the benefits and risks of investing in this product (including the possibility of incurring a loss of up to 100% of the invested amount).

**Maturity** There is no maturity date.

Withdrawal of a shareholder is only allowed in the first six months of each financial year, after approval by the board of directors. The board of directors may refuse such withdrawal, but not for speculative reasons. For example, if the number of shareholders cannot be controlled from the Fund’s liquidity position, this could result shareholders not receiving the full nominal value of their shares.

The shares may not be transferred unless with the prior consent of the board of directors.

A shareholder may be excluded in exceptional circumstances set out in the Fund’s articles of association (e.g. non-compliance with the general admission criteria, acting contrary to the Fund’s interest, non-compliance with the Fund’s articles or internal rules, failure to comply with decisions of the general meeting of shareholders or the board or failure to comply with its obligations as a shareholder).



**What are the risks and what could I get in return?**

**Risk Indicator**

1	2	3	4	5	6	7
←-----→						
Lower risk				Higher risk		
The risk indicator assumes you keep the shares for the recommended holding period of 5 years. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.						

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as **5 out of 7**, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact our capacity to provide you a positive return on your investment.

The following are some of the other risks materially relevant to the PRIIP which are not taken into account in the summary risk indicator:

- Emerging markets may have less advanced regulatory and control environments.
- The Fund is exposed to currency exchange rate volatility to a limited extent, as it holds assets denominated in multiple currencies. The Fund uses specialist financial techniques (known as derivatives) to manage its currency exchange rate risk.
- This product holds no capital protection against market risk: this product does not include any protection from future market performance so you could lose some or all of your investment.
- This product holds no capital guarantee against credit risk: if we are not able to pay you what is owed, you could lose your entire investment.
- The Fund is furthermore subject to concentration risk, counterparty risk, liquidity risk and interest rate risk. See the information note for overall risk information (<https://incofincvso.be/en/downloads/>).

The management of the risks mainly involves portfolio diversification, spreading assets across regions and countries, techniques to hedge exchange rate risk, holding liquid assets, etc.

The return on an investment in Incofin CVSO shares is limited to any dividends paid, since in the event of withdrawal, exclusion or dissolution, the maximum amount paid out to an investor is equal to the nominal value of the shares. The maximum amount of a dividend is set at 6% of the paid-up capital.

**Performance scenarios**

<b>Investment (€ 10,000)</b>		<b>1 year</b>	<b>3 years</b>	<b>5 years (recommended holding period)</b>
<b>Scenarios</b>				
Stress scenario	What you might get back after costs	€ 8,500	€ 8,574	€ 8,811
	Average return each year	-15%	-5%	-2.5%
Unfavourable scenario	What you might get back after costs	€ 10,000	€ 10,000	€ 10,000
	Average return each year	0%	0%	0%
Moderate scenario	What you might get back after costs	€ 10,150	€ 10,457	€ 10,773
	Average return each year	1.5%	1.5%	1.5%
Favourable scenario	What you might get back after costs	€ 10,250	€ 10,769	€ 11,314
	Average return each year	2.5%	2.5%	2.5%

This table shows the money you could get back over the next 5 years (recommended holding period), under different scenarios, assuming that you invest €10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The tax legislation of the retail investor's home member state may have an impact on the actual payout.



**What happens if INCOFIN CVSO CVBA-S0 is unable to pay out?**

The investor may face a financial loss up to the maximum of its contribution should the Fund default on its obligations. There is no compensation or guarantee scheme in place which may offset, the whole or part of, this loss. Should the Fund incur losses as a result of which the Fund's net assets would fall below the nominal value, you will receive less on withdrawal than the nominal value paid. The nominal value of each "whole" share is € 2,604. On 31 December 2022 the Fund's net assets per "whole" share amounted to € 2,886.

**What are the costs?**

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest € 10,000. The figures set out in the tables below are estimates and may change in the future.

**Table – cost over time**

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

<b>Investment (€10,000)</b>			
<b>Scenarios</b>	<b>If you cash in after 1 year</b>	<b>If you cash in after 3 years</b>	<b>If you cash in after 5 years (recommended holding period)</b>
<b>Total costs</b>	€ 200	€ 600	€ 1000
Impact on return (RIY) per year	2%	2%	2%

**Table – composition of costs**

The table below shows: the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and the meaning of the different cost categories.

<b>This table shows the impact on return per year</b>			
<b>One-off costs</b>	There are no one-off entry or exit costs.	0%	Not applicable.
<b>Ongoing costs</b>	No portfolio transaction costs	0%	Not applicable.
	Other ongoing costs	2%	These costs include, but are not limited to: (a) expenses necessarily incurred in the operations of the Fund (e.g. marketing costs); and (b) any payments of expenses, fees and remunerations to (i) the manager of the Fund; (ii) accountants, (iii) auditors, (iv) external legal counsel, etc.
<b>Incidental costs</b>	No performance fee	0%	Not applicable.
	No carried interests	0%	Not applicable.

**How long should I hold it and can I take my money out early?**

This product has no required minimum holding period, however the recommend holding period is 5 years. You can terminate your investment in the Fund by requesting withdrawal or selling your shares. Share redemption is only allowed during the first six months of the year and after approval by the board of directors of the Fund. The request for withdrawal is made by registered letter to the board of directors, to Incofin, Sneeuwbeslaan 20, box 2, 2610 Antwerp. The shareholders wishing to sell their shares should submit a written request to that effect to the board of directors, stating the name and relevant details of the potential buyer. The board of directors will give written approval or refusal of the sale within a period of 1 month after receipt of the notification. The decision to refuse, against which no recourse is available, should not be justified. The Fund is a recognized development fund and therefore, private individuals may claim 5% tax relief on their investment when complying with certain conditions up to an amount of 330 EUR. If you are prepared to stay invested for at least 5 years, you realize the tax benefit in full. Detailed information on the tax reduction and on other advantages related to the exemption of withholding tax can be found on our website.

**How can I complain?**

If you have any complaints about the product, the conduct of the Fund or the person advising on, or selling the product, you may lodge your complaint with us in one of three ways:

- You can contact our complaints hotline on +3238292536 who will log your complaint and explain what to do.
- You may send an email to [info@incofincvso.be](mailto:info@incofincvso.be).
- You may send your complaint in writing to Incofin, Sneeuwbeslaan 20, bus 2, 2610 Antwerp.

You can also contact the ombudsman for financial services, North Gate II, Koning Albert II-laan 8, bus 2, 1000 Brussels, telephone +3225457770, email: [ombudsman@ombudsfin.be](mailto:ombudsman@ombudsfin.be), [www.ombudsfin.be](http://www.ombudsfin.be).

**Other relevant information**

Investors who would like to have detailed information should read the information note, available upon request, or online at <https://incofincvso.be/en/downloads/>. Further information on our activities and our annual report can also be found online (<https://incofincvso.be/en/downloads/>), or by contacting us.