

**SUPPLEMENT dated 10<sup>th</sup> December, 2021  
to the Prospectus for Prescient Global Funds ICAV**

**PRESCIENT GLOBAL POSITIVE RETURN FUND**

This Supplement contains specific information in relation to the Prescient Global Positive Return Fund (the “Fund”), a fund of Prescient Global Funds ICAV (the “ICAV”), an open-ended umbrella fund with segregated liability between Funds authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in conjunction with the prospectus of the ICAV dated 13<sup>th</sup> November, 2019 (the “Prospectus”) including the general description of the ICAV and its management and administration, its investment and borrowing powers and restrictions, its general management and fund charges and its risk factors. A copy of the Prospectus is available from the Manager at 49 Upper Mount Street, Dublin 2, Ireland. A list of the other sub-funds of the ICAV is set out in the Existing Fund Supplement to the Prospectus.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

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

**Interpretation:**

The expressions below shall have the following meanings:

**Benchmark**

The Harmonised Index of Consumer Prices (HICP) (Euro area) +1%.

The Harmonised Index of Consumer Prices (HICP) measures consumer price inflation in the euro area. The HICP is compiled by Eurostat and the national statistical institutes in accordance with harmonised statistical methods. The HICP aims to be representative of the developments in the prices of all goods and services available for purchase within the euro area for the purposes of directly satisfying consumer needs. It measures the average change over time in the prices paid by households for a specific, regularly updated basket of consumer goods and services.

**“Business Day”**

Means any day (except Saturday or Sunday) on which

	banks in Ireland are open for business, or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders.
<b>“Dealing Day”</b>	Means every Business Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided there shall be at least two Dealing Days in each month occurring at regular intervals.
<b>“Dealing Deadline”</b>	Means 10 a.m. (Irish time) on the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
<b>World Federation of Exchanges</b>	The World Federation of Exchanges comprises of operators of approximately 52 of the world’s largest securities exchanges. The World Federation of Exchanges develop and promote standards in markets.
<b>ZAR</b>	South African Rand.
<b>Available Class</b>	A, B, C, D, E (Hedged), F, G (Hedged), H, I (Hedged), J (Hedged) and K (Hedged).
<b>Base Currency</b>	EURO.
<b>Minimum Subscription</b>	<p><b>Class A</b></p> <p>Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). The offering of Class A will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.</p>

### **Class B**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class B will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

### **Class C**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class C will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

### **Class D**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

### **Class E (Hedged)**

U.S. \$ 5,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class E (Hedged) Shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary

investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, please see the section entitled "Hedging" below.

#### **Class F**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class C will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

#### **Class G (Hedged)**

ZAR 40,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class G (Hedged) Shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, please see the section entitled "Hedging" below.

#### **Class H**

U.S. \$ 5,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class H Shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

#### **Class I (Hedged)**

U.S. \$ 5,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class I (hedged) Shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, please see the section entitled "Hedging" below.

#### **Class J (Hedged)**

GBP £ 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class J (Hedged) Shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their

discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, please see the section entitled "Hedging" below.

#### **Class K (Hedged)**

GBP £ 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). Investment in Class K (Hedged) Shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest. The Directors and/or the Manager have the right at their discretion to waive this restriction at any time, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, please see the section entitled "Hedging" below.

#### **Minimum Holding**

#### **Class A**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

#### **Class B**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

#### **Class C**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

#### **Class D**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class E (Hedged)**

U.S. \$ 5,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). In addition, please see the section entitled "Hedging" below.

**Class F**

Euro 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class G (Hedged)**

ZAR 40,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). In addition, please see the section entitled "Hedging" below.

**Class H**

U.S. \$ 5,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class I (Hedged)**

U.S. \$ 5,000 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class J (Hedged)**

GBP £ 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). In addition, please see the section entitled "Hedging" below.

**Class K (Hedged)**

GBP £ 3,500 (or such lesser amount as the Directors or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). In addition, please see the section entitled "Hedging" below.

**Minimum Additional Investment for  
Class A, B, C, D, E (Hedged),  
F, G (Hedged), H, I (Hedged),  
J (Hedged) and K (Hedged)**

Euro 2,500 for Class A, B, C, D and F Shares, U.S. \$ 2,500 for Class E (Hedged), H and I (Hedged) Shares, ZAR 40,000 for Class G (Hedged) Shares and GBP £ 2,500 for Class J and K (Hedged) (or less at the discretion of the Directors or the Manager) or equivalent in the Base Currency of the Fund.

**Investment Manager  
and Distributor**

The Investment Manager and Distributor of the Fund is Prescient Investment Management (Pty) Limited. The address of the Investment Manager is Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, South Africa. The Manager has appointed Prescient Investment Management (Pty) Limited as Investment Manager to the Fund with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager is responsible for managing the assets and investments of the Fund in accordance with the investment objectives, policies and strategies described in this Prospectus, subject always to the supervision and direction of the Manger.

The ICAV shall not be liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager or any Sub-Investment Manager appointed by it or for its own acts or omissions in following the advice or recommendations of the Investment Manager or any Sub-Investment Manager.

The Investment Manager was incorporated in South Africa on 26 November 1998 and is regulated by the Financial Sector Conduct Authority as a licensed Financial Service Provider No.612 in the conduct of financial services and Investment Management activities.

The Investment Manager is ultimately a wholly owned subsidiary of Prescient Holdings (Pty) Ltd which was incorporated in South Africa.

The Investment Manager may delegate the discretionary investment management of the Fund to sub-investment managers and/or investment advisors in accordance with the



requirements of the Central Bank. Details of such appointment will be provided to Shareholders on request and shall be further disclosed in each annual and semi-annual report of the Fund. The Investment Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of sub-investment managers appointed by it or for its own acts or omissions in bona fide following the advice or recommendations of sub-investment managers.

The Investment Manager has also been appointed as Distributor of the Shares of the Fund and is in relation thereto entitled to any initial charge payable on subscriptions. The Investment Manager may at its discretion appoint sub-distributors.

The Manager shall reimburse the Investment Manager and Distributor out of its management fee for any fees paid by the Investment Manager or Distributor to any sub-investment manager or any sub-distributor or investment advisor appointed by it or directly pay the sub-investment manager's or sub-distributor's or investment advisor's fees out of its own management fee.

### **Investment Management Agreement**

The amended and restated Investment Management and Distribution Agreement dated 11 October 2018 between the Manager and the Investment Manager, as may be amended, supplemented or replaced from time to time. The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by any party giving to the others not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other.

The Investment Management Agreement contains indemnities in favour of the Investment Manager other than matters arising by reason of its fraud, bad faith, wilful default, negligence or recklessness in the performance of its duties and obligations and provisions regarding the Investment Manager's legal responsibility.

### **Fee Structure**

The Fund may invest in other Regulated Funds. As a result, the Fund and indirectly an investor in such Fund may bear subscription and redemption fees, multiple investment

management fees, that in aggregate may exceed the fees that would typically be incurred by an investment with a single fund. In addition, investing in funds, may result in a lack of transparency of information concerning the underlying investments of such funds, which may not generally be available to the Investment Manager (except to the extent that it invests in funds managed by itself or an associated or related company).

The management fees of the underlying collective investment schemes typically will be in the region 0.5% and 2.00% of the underlying fund. The underlying collective investment scheme may also charge a performance fee based on the percentage of the increase in the value of the assets of the underlying scheme. Such percentage is typically between 10% and 20% of the Net Asset Value of the underlying scheme. Such underlying scheme may also charge subscription and redemption fees.

## **Fees**

Investors' attention is drawn to the sections in the Prospectus headed "Issue and Redemption of Shares - Pricing" and "Fees and Expenses", which include:

- (i) the maximum fees payable to the Manager, and the Depositary;
- (ii) a preliminary fee of up to 5 % of the Subscription Price as described in the Prospectus;
- (iii) a redemption fee up to a maximum of 3% of the redemption price may be imposed at the discretion of the Directors or the Manager; and
- (iv) Shareholders may switch between Funds, free of charge, on four occasions per annum. Shareholders who switch on more than four occasions per annum may be subject to a charge of Euro 40 per switching transaction.

## **Management and Investment Management Fees**

The Manager and the Investment Manager shall be entitled to receive out of the assets of the Fund the following annual fee in respect to each Class, to be apportioned among the Manager and the Investment Manager, as may be agreed from time to time between the parties. The combined fee will be calculated and accrued daily based on the daily Net Asset

Value of the relevant Class and will be paid monthly in arrears, as appropriate to the Manager and the Investment Manager in accordance with the terms of their agreement.

- Class A – 1.00% of the Net Asset Value attributable to Class A Shares
- Class B – 1.00% of the Net Asset Value attributable to Class B Shares
- Class C – 0.00% of the Net Asset Value attributable to Class C Shares
- Class D – 1.25% of the Net Asset Value attributable to Class D Shares
- Class E (Hedged) – 1.25% of the Net Asset Value attributable to Class E (Hedged) Shares
- Class F – 0.50% of the Net Asset Value attributable to Class F Shares
- Class G (Hedged) – 0.00% of the Net Asset Value attributable to Class G (Hedged) Shares
- Class H – 1.50% of the Net Asset Value attributable to Class H Shares
- Class I (Hedged) – 0.00% of the Net Asset Value attributable to Class I Shares
- Class J (Hedged) – 1.00% of the Net Asset Value attributable to Class J (Hedged) Shares
- Class K (Hedged) – 0.00% of the Net Asset Value attributable to Class K (Hedged) Shares

The Manager is entitled to increase the annual fees up to a maximum of 2.5% per annum of the Net Asset Value attributable to each Class. Shareholders will be notified in writing in advance of any proposed increase of such fees up to such maximum.

The Directors and/or the Manager may differentiate between the Shareholders of the Fund by waiving or reducing the annual management fees charged to certain Shareholders.

### **Depository Fees**

The fees payable to the Depository are set out in the section in the Prospectus headed “Fees and Expenses”.

### **Risk Factors**

The attention of investors is drawn to the section headed “Risk Factors” in the Prospectus.

If the Fund includes participatory interests of other collective investment schemes, such participatory interest will have a

risk profile which is not significantly higher than the risk profile of this Fund.

**Money Market Type Fund Risk:**

**The Fund may invest significantly in money market instruments in accordance with the investment strategy. Investors' attention is drawn to the fact that Shares in the Fund are not the same as deposits or obligations which are guaranteed or endorsed by any bank and accordingly, the amount invested in the Fund may fluctuate up and/or down.**

**Sub-Investment Grade Debt and Securities Risk:**

Debt securities are subject to several factors that may lower their prices; these include interest rate risk, reinvestment risk, call risk, default risk and inflation risk. Inflation risk is the risk of debt security prices failing while interest rates rise, therefore, the debt securities will be traded at a discount to reflect the lower return that the investor will receive. Debt securities trading at a discount may also be more difficult to dispose of due to their high risk. Several factors may affect interest rates such as inflation, money in the economy, fiscal policies and the value of the shares of the issuing company. The risk of reinvestment is the risk that the money received from a debt security will be reinvested at a lower rate than the one from the original debt security. The call risk derives from the risk that a debt security, which has a call provision, may be called by the issuer. A call provision allows an issuer to buy the debt security back from the holder, which is usually done when the interest rates have fallen significantly. The default risk of a debt security occurs when its issuer is unable to make the contractual interest rate or principal payments of the security. Lower rated, sub-investment grade debt securities have a high likelihood of defaulting compared to investment grade debt securities. Lower-rated debt securities will usually offer higher yields than higher-rated debt securities to compensate for the reduced creditworthiness and increased risk of default that these debt securities carry. Lower-rated debt securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated debt securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated debt securities, and it may be harder to buy and sell debt securities at an

optimum time. Finally, inflation risk is the risk of inflation rising which increases the rate at which prices increase in the economy, this deteriorates the returns of debt securities and especially debt securities that have a fixed rate.

#### **Liquidity Risk:**

The Fund may invest in securities, including sub-investment grade debt securities, which are unlisted or unrated, which may result in a lower liquidity for the Fund. Liquidity risk may also come from the lack of marketability of an investment during adverse market conditions, where the investment may not be bought or sold quickly enough to prevent or minimise losses. Further, some assets, for example unrated bonds, may be more difficult and time consuming to dispose of and therefore, the Investment Manager may have to sell the asset at an unfavourable price.

#### **Sustainability Risk:**

Under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector ("**SFDR**"), the Manager is not under any obligation to nor does it currently promote environmental or social characteristics or have sustainable investment as an investment objective. As a result, the Fund is considered to be a non-ESG fund.

Further, the Manager in conjunction with the Investment Manager has determined that sustainability risk (which is defined as 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 relevant investment (an "**ESG Event**")) is not relevant for the Fund due to the profile of the underlying investments of the Fund and their broad diversification.

#### **Taxonomy Regulation:**

The Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this fund do not take into account the

EU criteria for environmentally sustainable economic activities.

**Profile of a Typical Investor**

The Fund is suitable for investors that seek long term capital growth and who have a conservative to medium risk profile and who wish to capture upside equity while minimising downside volatility.

**Investment Objective and Policy**

The investment objective of the Fund is to achieve long term capital growth appreciation, by seeking positive returns in Euro, while maintaining capital preservation through a diversified portfolio of securities invested in the world equity, bond and money markets and in Regulated Funds.

This objective may be achieved primarily through a diversified portfolio of securities comprised of world equity, bond and interest bearing securities such as certificates of deposit, money markets and Regulated Funds securities. To achieve its investment objective the Fund may also invest in global currencies. The Fund may also use derivatives for investment and/or efficient portfolio management purposes to achieve the investment objective of the Fund by seeking to reduce risk and seeking to gain exposure to the asset classes listed above as set out under the section entitled Derivative Trading.

The Fund intends to measure its performance against the Benchmark.

Asset allocation for this Fund is of a conservative nature with capital preservation and long term capital growth of equal priority. The Fund aims to capture equity upside while minimising volatility in Euros by utilising investment strategies to protect against equity downside and hedging all currency to euros. The Fund's asset allocation is a moderate allocation to equities; however the Investment Manager will adjust the Fund's asset allocation depending on market conditions. This asset allocation together with downside protection enables the Fund to deliver growth while controlling the volatility. The volatility of the Fund is expected to be low to moderate.

To achieve its investment objective the Fund may invest all of its assets directly in securities comprised of world equity, bond and other interest bearing securities such as certificates of deposit, money market instruments and through Regulated Funds or indirectly through the use of financial derivative instruments to gain exposure to these securities, for example the Fund may purchase an option on a listed equity or equity index. The Fund may also invest in global currencies directly or through the use of derivatives such as call and put options to reduce the risk of currency devaluation in the fund and hence improve the Fund's ability to deliver a positive return. The currency allocation of the Fund will focus largely on stable economies to reduce volatility. Underlying securities of Regulated Funds and direct investments may consist of global equity securities, equity related securities such as warrants and preferred stocks, ETFs, investment grade fixed or floating rate bonds issued by corporations and governments, certificates of deposit and short-term money market instruments such as commercial paper treasury bills, quoted on Recognised exchanges.

Investment will have a global focus insofar as investments are not confined or concentrated in any particular geographic region or market.

In relation to investment in equity securities, 90% of the market value of securities must be listed on an exchange having obtained full membership of the World Federation of Exchanges.

The Fund may invest in interest bearing securities, issued by governments or corporations, which will have a credit rating or an implied credit rating of “investment grade” at the time of investment or shall be made with issuers who have a credit rating or an implied credit rating of “investment grade” at the time of investment, by Standard & Poors, Moody’s or Fitch Ratings Limited. The Fund may also invest in interest bearing securities, issued by governments or corporations, which are non-investment grade or which are unrated, with a fixed or floating rate.

**In accordance with the Investment Restrictions set out in Appendix 1, investment by the Fund in any one Regulated Fund may not exceed 20% of the net asset value of the Fund. Where the Regulated Fund being invested in is an umbrella fund, each sub-fund of the umbrella fund may be regarded as a separate Regulated Fund for the purposes of applying this limit. Investment in a Regulated Fund, which can itself invest more than 10% of net assets in other collective investment schemes, is not permitted.**

Regulated Funds may include investment funds domiciled in the EU (including, but not limited to, Austria, Belgium, France, Germany, Ireland, Italy and Luxembourg), the UK, retail open-ended investment funds authorised by the Central Bank, United Kingdom authorised unit trusts, Guernsey Class A Schemes, Jersey Recognised Schemes, Isle of Man Authorised Schemes, regulated open-ended non-UCITS investment funds domiciled in the EU (including, but not limited to, Austria, Belgium, France, Germany, Ireland, Italy and Luxembourg), the UK, and the US which fall within the requirements set out in the Central Bank’s Guidance “UCITS Acceptable Investment in other Investment Funds” the level of protection of which is equivalent to that provided to unitholders of a UCITS. The Regulated Funds may invest in global equity securities, equity related securities such as warrants and preferred stocks, ETFs, investment grade fixed or floating rate bonds issued by corporations and governments, certificates of deposit and short-term money market instruments such as commercial paper treasury bills, quoted on Recognised exchanges. Regulated Funds in which the Fund invests will be subject to similar investment restrictions, regulatory standards and supervision as are applicable to the Fund. The Fund may not invest in a fund of fund or a feeder fund.

The Fund may invest up to 10% of its net assets in securities which are not listed or traded on a Recognised Exchange and, further, the Fund may invest up to 10% of its net assets in recently issued securities which are expected to be admitted to official listing on a Recognised Exchange within a year.

The Fund may invest up to 20% of its Net Asset Value in equity and equity related securities of issuers having their registered office or carrying out a preponderant part of their economic activities in emerging market regions.

It is expected that the total net long positions will not exceed 100% of the Net Asset Value of the Fund and the total net short positions will not exceed 10% of the Net Asset Value of the Fund.

## **Investment Strategy**

The Fund is seeking to capture equity upside while minimising downside volatility. The fund is denominated in Euros and it is intended that any currency exposure will be hedged back to Euros.

The Fund intends to maintain a conservative profile by investing in asset classes such as world equity, bond and other interest bearing securities such as certificates of deposit, money market instruments, global currencies and through Regulated Funds which in the Investment Manager's view have good risk adjusted pricing characteristics. A description of risk adjusting characteristics is set out below. As a result a portion of the assets will be in investments which the Investment Manager believes are low risk such as bond and/or Money Market Instruments. It is intended to hedge the risk associated with investment in equities by using derivatives to reduce equity downside. The investment strategy and hedging process will result in the asset allocation of the Fund being conservative in nature, where the Fund's effective equity allocation will tend to be more moderate, generally below 60% of Net Asset Value. However the concentration of investment in any asset class will vary over the life of the Fund in accordance with the strategy below. This asset allocation together with downside protection enables the Fund to deliver growth while controlling volatility.

The amount of investment in equity and equity-related securities will be determined by the Investment Manager by assessing the risk adjusted pricing of equities. The risk adjusted pricing is determined by considering the income generated by the asset class in combination with the risk or cost of protection. When income generation in relation to equity and equity-related securities is high and cost of protection is low, the equity allocation will be increased. When income generation is low, combined with more expensive protection cost, the equity allocation will be reduced. It is intended that all exposure in the Fund will be hedged to Euros to reduce currency volatility and deliver a more stable return in Euros.

Using the process above, Net Asset Value of the Fund should be protected from large decreases in Euro terms. The Investment Manager will adjust the exposure of the Fund over time as the risk adjusted pricing of asset classes changes. Investing in more conservative investments such as bonds and /or money market instruments will increase when risk adjusted pricing of markets deteriorate and the Fund could be fully invested in such instruments if the Investment Manager is of the view that it is necessary to control volatility and preserve the capital in the Fund. Conversely, when risk adjusted pricing improves the allocation to equity and equity related assets will increase. This process should reduce the volatility in the Net Asset Value of the Fund.

## **Derivative Trading**

The Fund may also use derivatives for investment and/or efficient portfolio management purposes including for hedging purposes to reduce equity or other asset class risk in the Fund. Such derivatives will typically be exchange traded futures, forwards, swaps, and options in equity, bond or currency markets. For example the Fund may sell futures on securities, currencies or interest rates to manage risks by "locking in" gains and/or protecting against future declines in value of the Fund's investments.



The Fund may buy futures on securities, currencies or interest rates to take a position in securities to achieve the investment objective of the Fund where the Investment Manager believes that these securities are undervalued and will enhance the Fund returns or where the manager believes the position will reduce the risk in the Fund. The Investment Manager may utilise options such as equity, bond or currency options, to achieve the investment objective of the Fund without increasing the direct exposure risk of the Fund. The Funds return may also be increased by writing covered call options and put options on securities it owns or in which it may invest. **Unlisted derivative instruments i.e. OTC derivative instruments will be limited to unlisted forward currency, interest rate, exchange rate or index swap transactions and will only be permitted for the purposes of efficient portfolio management.**

The Investment Manager may utilise swap agreements with respect to currencies, interest rates, securities and indices to protect against changes in interest rates and currency exchange rates and to take positions in or protect against changes in securities indices and specific securities prices. Indices may include the broader market indices around the globe, such as the S&P 500, DAX, Euro STOXX 50, CAC 40, Nikkei Stock Average, J.P. Morgan Global Aggregate Bond Index, FTSE 100, and others.

The S & P 500 is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. More information can be found on this index at <https://us.spindices.com/indices/equity/sp-500>.

The DAX Index tracks the largest and most important companies (blue chip) on the German equities markets. It is comprised of the 30 largest and most liquid companies on the Frankfurt Stock Index in the Prime standard segment. The index represents around 80% of the aggregated prime standard's market capitalization. Additional information on this index may be found at <http://dax-indices.com/EN/MediaLibrary/Document/Factsheet%20DAX%20USD.pdf>.

The EURO STOXX 50 Index, Europe's leading Blue-chip index for the Eurozone, provides a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. More information can be found on this index at <https://www.stoxx.com/index-details?symbol=sx5e>.

The CAC 40 is a French stock market index. The index represents a capitalisation-weighted measure of the 40 most significant values among the 100 highest market caps on the Euronext Paris. More information can be found on this index at <https://www.euronext.com/en/products/indices/FR0003500008-XPAP/market-information>.

The Nikkei Stock Average is used globally as the premier index of Japanese shares. The Nikkei 225 is a price-weighted equity index, which consists of 225 stocks in the first section of the Tokyo Stock Exchange. More information can be found on this index at [http://indexes.nikkei.co.jp/nkave/archives/file/nikkei\\_stock\\_average\\_factsheet\\_en.pdf](http://indexes.nikkei.co.jp/nkave/archives/file/nikkei_stock_average_factsheet_en.pdf).

The J.P. Morgan Global Aggregate Bond Index is a U.S. dollar denominated, investment-grade index spanning asset classes from developed to emerging markets, including multi-currency, investment-

grade instruments. More information can be found on this index at <https://www.jpmorgan.com/country/US/EN/jpmorgan/investbk/solutions/research/indices/product>.

The FTSE 100 Index is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. More information can be found on this index at <http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/indices/summary/summary-indices.html?index=UKX>.

It is not possible to list comprehensively the actual indices to which exposure may be taken, as they will change from time to time, but the annual accounts of the ICAV will include details of the indices to which exposures are taken during the relevant period.

Indices to which the Fund may gain exposure shall comply with UCITS Regulations, the Central Bank UCITS Regulations and the ESMA Guidance on ETFs and other UCITS issues. The Fund will generally gain exposure to such indices both for hedging and for speculative purposes, to access various markets and sectors. The financial indices to which the Fund may gain exposure will typically be rebalanced on a monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced as an index may pass on rebalancing costs by including them in the price of the index. Where the weighting of a particular constituent in the financial index exceeds the Fund's investment restrictions, the Investment Manager will, as a priority objective, look to remedy the situation taking into account the interests of Shareholders and the Fund.

The Investment Manager may also utilise currency forward contracts to reduce the effect of exchange rate movements on the valuation of non-base currency denominated assets or cashflows when measured in local currency. The Investment Manager may also use currency options to gain exposure to currencies without having to hold the currency outright. The use of derivatives may also create synthetic short positions (i.e. positions which are in economic terms equivalent to short positions). The Fund may create synthetic short positions by, for example, the use of futures, swaps and options and any short positions are covered by holding the underlying security or an equivalent amount of cash. Details of the derivatives which may be used are set out in the derivatives risk management process filed with the Central Bank. Any types of derivative not included in the risk management process will not be used until such time as a revised submission has been provided to the Central Bank. Appendix III gives further description of the types of derivatives and how they may be used by the Fund. Any exposure created by the use of derivatives will not exceed the Net Asset Value of the Fund.

The Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach.

It is intended that the Fund will be approved by the Financial Sector Conduct Authority in South Africa for the purposes of inward marketing. As set out above, the Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Fund. Unlisted derivative instruments i.e. OTC derivative instruments will be limited to unlisted forward currency, interest rate or exchange rate swap

transactions and will only be permitted for the purposes of efficient portfolio management. No uncovered positions will be permitted.

## **Hedging**

A Class designated in a currency other than the Base Currency of the Fund shall be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Class E (Hedged) Shares, Class G (Hedged) Shares, Class I (Hedged) Shares, Class J (Hedged) Shares and Class K (Hedged) Shares shall be hedged in accordance with the hedging provisions set out in the Prospectus. Investors' attention is drawn to the sections of the Prospectus entitled "Hedged Classes", "Risk Factors" – "Share Currency Designation Risk" and "Risk Factors" – "Currency Risk".

## **Securities Financing Transactions and Total Return Swaps**

As further described in Appendix III to the Prospectus, subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Fund may enter into Securities Financing Transactions such as repurchase agreements, reverse repurchase agreements and/or stock lending agreements solely for efficient portfolio management purposes in accordance with the limits and requirements of the Central Bank. In addition, the Fund is permitted to invest in Total Return Swaps. All types of assets which may be held by the Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction and/or Total Return Swap.

The maximum proportion of the Fund's assets which can be subject to Securities Financing Transactions and/or Total Return Swap is 100% of the Net Asset Value of the Fund (and 50% of the Net Asset Value of the Fund in the case of stock lending agreements).

The expected proportion of the Fund's assets which will be subject to Securities Financing Transactions and/or Total Return Swaps is between 0% and 50% of the Net Asset Value of the Fund's assets. The proportion of the Fund's assets which are subject to Securities Financing Transactions and/or Total Return Swaps at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in Securities Financing Transactions and/or Total Return Swaps, expressed as an absolute amount and as a proportion of the Fund's assets, as well as other relevant information relating to the use of Securities Financing Transactions and/or Total Return Swaps shall be disclosed in the annual report and semi-annual report of the ICAV.

Further information in relation to Securities Financing Transactions and Total Return Swaps is set out in the Prospectus at the Section entitled "Risk Factors" - "Risks associated with Securities Financing Transactions" and also in Appendix III to the Prospectus.

## **Borrowings**

Borrowing will not be utilised for the purposes of gearing. Borrowings on behalf of the Fund may only be made on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. The Fund may borrow to meet redemption requests.

The investment and borrowing restrictions for the Fund are set out in the main body of the Prospectus. The ICAV on behalf of the Fund may acquire foreign currency by means of back to back loan agreements. The Manager shall ensure that a Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowings for the purpose of Regulation 103 of the UCITS Regulations.

## **Offer**

Class A, Class B, Class C, Class D, Class E (Hedged), Class F, Class G (Hedged), Class I (Hedged) Shares and Class J (Hedged) Shares are already in issue and are available at the Subscription Price. A preliminary fee of 5% of the Subscription Price as described in the Prospectus, may be imposed at the discretion of the Directors or the Manager.

Class H Shares and Class K (Hedged) Shares will continue to be available until 5 p.m. on 7th May, 2020 (the “**Initial Offer Period**”) at the initial issue price of U.S. \$1.00 and GBP £ 1.00 respectively, and subject to acceptance of applications for Shares by the ICAV will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period. The Initial Offer Period may be extended or shortened by the Directors. After the closure of the Initial Offer Period, Shares in Class H and Class K (Hedged) will be available at the Subscription Price. A preliminary fee of 5% of the Subscription Price as described in the Prospectus, may be imposed at the discretion of the Directors or the Manager.

Applications for Shares in the Funds must be received before the Dealing Deadline. Confirmed cleared funds must be received on the relevant Dealing Day. All such subscriptions will be dealt with on a forward pricing basis i.e. by reference to the Subscription Price for Shares calculated as at 12:00pm (Irish Time) on the relevant Dealing Day. Any applications therefore received after the Dealing Deadline, or cleared funds not received on the relevant Dealing Day, will be held over until the next Dealing Day.

## **Distribution Policy**

It is not currently intended to make distributions to the Shareholders. The Fund currently aims to seek capital growth rather than a significant income return. In the event that the Directors determine to declare dividends, the Supplement will be updated accordingly and all Shareholders will be notified in advance pursuant to the UCITS Regulations.