

SUPPLEMENT

DATED 22 August 2022

to the Prospectus for Prescient Global Funds ICAV

RISCURA CHINA EQUITY FUND

This Supplement contains specific information in relation to the RisCura China Equity 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, dated 13 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 35 Merrion Square, Dublin 2, Ireland. A list of the other sub-funds of the ICAV is set out in the Existing Fund Supplement to the Prospectus.

The difference at any one time between the sale and repurchase price of Shares in the Fund means that the investment should be viewed as medium to long term.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Fund may engage in transactions in financial derivative instruments for efficient portfolio management purposes, including for hedging purposes. In relation to the expected effect of transactions in financial derivative instruments, please see the section below entitled "Derivative Trading and Efficient Portfolio Management" and the section of the Prospectus entitled "Derivative and Techniques and Instruments Risk".

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.

Profile of a Typical Investor

The Fund is ideally suited to investors seeking capital growth of their investment with a high-risk tolerance and with an investment horizon of three years or longer.

Legal Capacity and Segregated Liability of the Fund

Under Irish law the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with its Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV, its Directors or their delegates (including but not limited to the Manager) on behalf of the Fund. The ICAV is an umbrella fund with segregated liability between its funds. As a matter of Irish law, any liability attributable to the Fund may

only be discharged out of the assets of the Fund and the assets of other sub-funds of the ICAV may not be used to satisfy the liability. In addition, any contract entered into by the ICAV on behalf of the Fund will, by operation of Irish law, include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any other sub-fund other than the sub-fund in respect of which the contract was entered into. Please see the section in the Prospectus entitled "Risk Factors", sub-paragraph "Cross-Liability for other Funds" for further information.

1. Interpretation

The expressions below shall have the following meanings:

"Base Currency" means US Dollar.

"Benchmark" means the MSCI China All Shares Index which captures the performance of large and mid-cap Chinese securities across China A-shares, B-shares, H-shares, Red Chips, P-chips and foreign listings (e.g. ADRs).

As at the date of this Supplement, the administrator of the Benchmark, namely MSCI appears on the register of administrators and benchmarks maintained by ESMA. As required under the Benchmark Regulations, the Manager has put in place appropriate contingency arrangements setting out the actions which will be taken in the event that a benchmark which is used by the Fund which is subject to the Benchmark Regulations materially changes or ceases to be provided. A copy of the Manager's policy on cessation or material change to a benchmark is available upon request from the Manager.

"Business Day" means any day (except Saturday or Sunday) on which banks in Ireland are generally open for business or such other day or days as may be determined by the Directors and notified in advance to Shareholders.

"China A Shares" means China securities incorporated in the Mainland of the People's Republic of China, listed on the Shanghai or Shenzhen Stock Exchanges and traded in Renminbi.

"China B Shares" means China securities incorporated in the People's Republic of China, listed on the Shanghai Stock Exchange and traded in United States Dollars or listed on the Shenzhen Stock Exchange and traded in Hong Kong Dollars.

"China H Shares" means China securities incorporated in the People's Republic of China, listed on the Hong Kong Stock Exchange and traded in Hong Kong Dollars.

"China Red Chip Shares" means China securities of state-owned companies incorporated outside the Mainland of the People's Republic

of China, listed on the Hong Kong Stock Exchange and traded in Hong Kong Dollars.

- "Dealing Day" means each 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.
- "Redemption Dealing Deadline" means 10:00am (GMT) on the Business Day immediately prior to the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders, provided always that the Redemption Dealing Deadline is no later than the Valuation Point.
- "Subscription Dealing Deadline" means 10:00am (GMT) on the Business Day immediately prior to the relevant Subscription Day or such other time as the Directors may determine and notify to Shareholders provided always that the Subscription Dealing Deadline is no later than the Valuation Point.
- "Valuation Point" means close of business in the relevant market on the Business Day immediately preceding the relevant Dealing Day or such other time as may be determined by the Directors.
- "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.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Classes of Shares

Class	Currency of Denomination
Class A	USD
Class B	USD
Class C	USD
Class F (Founder)	USD
Class Z	USD

Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank.

Class F (Founder) Shares are available only for investment by founder investors. Class F (Founder) Shares will remain open for subscription by founder investors until such time as the Directors and/or the Manager decide to close the Class F (Founder) Shares to further investment (the "Closing Date"). Following the Closing Date of Class F (Founder) Shares existing Shareholders in the Class F (Founder) Share Class will continue to hold their investment in that Share Class, but any subsequent subscriptions received by such Shareholders and any

subscriptions from new founder investors will not be accepted for Class F (Founder) Shares unless the Directors and/or the Manager at their discretion determine otherwise. The Directors or the Manager shall determine, in their discretion, an investor's eligibility to subscribe for Class F (Founder) Shares. The Directors or the Manager have the right at their discretion to waive this restriction at any time.

Class Z Shares are available only for investment by other funds managed by the Investment Manager and/or by investors who have entered into an agreement with the Investment Manager and/or any other affiliate of the Investment Manager group. The Directors or the Manager shall determine, in their discretion, an investor's eligibility to subscribe for Class Z Shares. The Directors or the Manager have the right at their discretion to waive this restriction at any time.

3. Investment Manager, Distributor, Investment Advisor and Sub-Investment Manager

Investment Manager and Distributor

Pursuant to an Investment Management and Distribution Agreement dated 17 May 2022 between the Manager, the ICAV and RisCura Invest (Pty) Limited (the "Investment Manager") (as may be amended from time to time) (the "**Investment Management Agreement**"), the Investment Manager has been appointed as the investment manager and distributor in respect of the Fund by the Manager and is responsible for providing discretionary investment management and distribution services to the Manager in connection with the assets and Shares of the Fund.

The Investment Manager is a privately-owned investment management company, with its registered office at 5th Floor, Montclare Place, Cnr Main and Campground Roads, Claremont, Cape Town, Western Cape, 7735, South Africa. It is authorised by the Financial Sector Conduct Authority in South Africa as a financial services provider to provide discretionary investment management services.

Under the terms of the Investment Management Agreement, the ICAV shall indemnify and hold harmless out of the assets of the Fund the Investment Manager, its employees, servants and agents against all or any losses, liabilities, actions, proceedings, claims, costs and expenses (including without limitation reasonable legal fees and expenses) which may be asserted against it as the Investment Manager of the ICAV, or by reason of its relationship with the ICAV, save where such losses, liabilities, actions, proceedings, claims, costs and expenses arise due to the negligence, fraud, bad faith wilful default or recklessness of the Investment Manager or breach of the Investment Management Agreement by the Investment Manager, its employees, officers, agents or subcontractors. The Investment Management Agreement also provides that the Manager shall indemnify and hold harmless the Investment Manager, its employees, servants and agents against all or any losses, liabilities, actions, proceedings, claims, costs and expenses (including without limitation reasonable legal fees and expenses) which may be asserted against the Investment Manager arising from breach of the Investment Management Agreement by the Manager or arising from the breach by any employees, servants or agents of the Manager in the performance of their duties save where such losses, liabilities, actions, proceedings, claims, costs and expenses arise due to the negligence, fraud, bad faith, wilful default or recklessness of the Investment Manager, its employees, servants, agents or subcontractors.

The Investment Management Agreement may be terminated by any party giving to the others not less than 30 days' notice in writing, although in certain circumstances the Investment Management Agreement may be terminated forthwith by notice in writing by any party to the

others such as the insolvency of any party or unremedied breach after notice.

Investment Advisor

The Investment Manager has appointed RisCura Solutions (Mauritius) Limited with its registered office at The Depot, Labourdonnais Village, Mapou, Mauritius, as investment advisor pursuant to an Investment Advisory Agreement dated 17 May 2022 between the Investment Manager and the Investment Advisor. The Investment Advisor shall act in an advisory capacity only and shall not make any investment decisions. The Investment Advisor may provide advice in relation to (i) the selection of managers to be appointed as sub-investment managers of the Fund or (ii) in the selection in managers of underlying collective investment schemes into which the Fund will invest. The Investment Advisor is a member of the RisCura group of companies and provides global manager research and operational due diligence services, which will be used by the Investment Manager as input on an advisory basis when managing the Fund.

The Investment Advisor shall not be paid directly out of the Fund.

Sub-Investment Manager(s)

The Investment Manager may appoint one or more sub-investment manager(s). Save as further set out under Section 15 below, the fees of the sub-investment manager(s) will be paid out of the Investment Manager's fees. Details of any sub-investment manager(s) appointed by the Investment Manager shall be disclosed in the periodic reports of the ICAV.

4. Investment Objective

The investment objective of the Fund is to maximise capital growth by investment directly or indirectly in Chinese equities and equity-related securities. There is, however, no guarantee that the Fund will achieve its investment objective nor that in any time period, particularly in the short term, the Fund's portfolio will achieve any particular level of return and investors should be aware that the value of Shares may fall as well as rise.

5. Investment Policy

The Fund will seek to achieve its investment objective, by gaining exposure to Chinese equities and equity-related securities. Such exposure may be gained either directly or indirectly (through investment in underlying collective investment schemes as described more fully below). In the early stages of the life of the Fund, it is expected that the Fund will invest indirectly in Chinese equities and equity-related securities primarily through investment in underlying collective investment schemes. Thereafter, exposure may also be taken directly to Chinese equities and equity-related securities, as further set out below.

Chinese equities and equity-related securities may include China A Shares, China B Shares, China H Shares, China Red Chip Shares, American Deposit Receipts (ADRs) having exposure to Chinese stocks as well as Chinese concept stocks (stocks in a company operating in mainland China which are incorporated overseas and traded on the Hong Kong stock exchange or another Recognised Exchange, thus giving Chinese businesses access to foreign investment) convertible bonds, or participatory notes (as further described below), having exposure to Chinese stocks, listed or traded in the People's Republic of China ("China") and/or other

Recognised Exchanges across the world that are full members of the World Federation of Exchanges.

The Fund may also gain exposure to equities and equity-related securities of issuers located in other Asian countries neighbouring China, which derive their economic value from business activities in China and which are listed on Recognised Exchanges world-wide that are full members of the World Federation of Exchanges.

The Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that it uses the Benchmark for performance comparison purposes and for calculation of performance fees. However, the Benchmark is not used to define the portfolio composition of the Fund or as a performance target and the Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is consistent with the investment policy of the Fund.

Regulated Funds and Exchange Traded Funds

Subject to the below requirements, the Investment Manager may upon the advice of the Investment Advisor, invest up to 100% of the Net Asset Value of the Fund into collective investment schemes (“Regulated Funds”) managed by discretionary portfolio management companies who specialise in Chinese equities and equity-related securities, where such portfolio management companies are recognised and regulated, and meet the due diligence requirements of the Investment Manager.

The Fund may invest up to 100% of its Net Asset Value in the units and/or shares of Regulated Funds, including money market funds and exchange traded funds (which are eligible for investment by a UCITS) in accordance with the requirements of the Central Bank. The Fund will not invest in US-listed exchange traded funds.

Regulated Funds may include UCITS authorised in any Member State, retail open-ended investment funds authorised by the Central Bank, Guernsey Class A Schemes, Jersey Recognised Schemes, Isle of Man Authorised Schemes, regulated open-ended alternative investment funds domiciled in a member state of the EU, the United Kingdom, Guernsey, Jersey, Isle of Man, the United States, 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 and provided such schemes comply in all material respects with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations.

Any investment in Regulated Funds which are exchange traded will be listed on a Recognised Exchange.

Appointment of Sub-Investment Managers

The Investment Manager may, in accordance with Central Bank requirements, appoint one or more sub-investment managers to whom it may delegate all or part of the day-to-day conduct of its investment management responsibilities in respect of a portion of the assets of the Fund. If

more than one sub-investment manager is appointed to the Fund, the Investment Manager shall allocate a portion of the assets of the Fund between the sub-investment managers in such proportions as it shall, at its discretion, determine (each an “Allocated Portion”).

Details of any sub-investment manager appointed by the Investment Manager shall be provided to Shareholders on request and shall be disclosed in the periodic reports of the ICAV. In the event that any fee, including any performance fee, is payable to a sub-investment manager out of the assets of the Fund, details of the sub-investment manager and the associated fee will be disclosed in a revised Supplement in accordance with the requirements of the Central Bank.

Exposure to China A Shares

Investors should note that the Fund intends to invest directly or indirectly in China A shares through the Shanghai Hong Kong Stock Connect scheme, or the Shenzhen Hong Kong Stock Connect scheme (the “Stock Connect” schemes).

The Fund may also gain exposure to the China A Share market through the “Qualified Foreign Investor” (QFI) regime. The attention of investors is drawn to the Risks associated with the Stock Connect scheme and the QFI regime, as further set out below under “Risk Factors”.

Participatory Notes

The Fund may invest up to 15% of net assets in Participation notes (“P-notes”) notes issued by qualifying foreign institutions that have been approved as a QFI to obtain exposure to the Chinese market. P-notes are generally not rated and are designed to provide a return which is directly linked to the performance of a particular equity security or basket of equity securities. P-notes are technically promissory notes from an issuer agreeing to provide a return according to the return on the underlying equity security or basket of equity securities. Brokers buy Chinese stocks and issue P-notes that represent ownership of the underlying stock. Any dividends or capital gains collected from the underlying securities are returned to the investors. While P-notes do mimic the cash flows of a swap, they are not derivatives and a P-note represents actual ownership of the asset while swaps do not. The P-notes in which the Fund may invest will not include embedded derivatives or leverage. P-notes which are liquid, capable of free sale and transfer to other investors and which are listed or traded on a Recognised Exchange are deemed to be “transferable securities”.

Deposits / Ancillary Liquid Assets

The Fund may also, in the appropriate circumstances, hold or invest in deposits, Government debt securities and money market instruments. Such circumstances include where market conditions may require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses or in order to support derivative exposure or in any other extraordinary market circumstances such as a market crash or major crises, which in the reasonable opinion of the Investment Manager would be likely to have a significant detrimental effect on the performance of the Fund. Depending on the aforementioned circumstances, it is possible that up to 100% of the net assets of the Fund may be invested in deposits / ancillary liquid assets at any time.

Money market instruments include, but are not limited to, fixed or floating rate bonds, fixed, floating and variable rate notes and fixed or variable rate commercial paper, (which are

considered investment grade or above as rated by the principal rating agencies) and US treasury issues.

Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment into the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

Recognised Exchanges

The Fund may invest up to 10% of its Net Asset Value in recently issued securities (such as initial public offerings of Chinese equities) which are expected to be admitted to official listing on a Recognised Exchange within a year.

Derivatives

The Fund may use financial derivative instruments for efficient portfolio management (including for hedging purposes) to reduce portfolio, equity or other asset class risks and/or to reduce costs in the Fund, subject to the conditions and within the limits from time to time laid down by the Central Bank.

The financial derivative instruments and techniques which may be used by the Fund are futures and swaps (index swaps and total return swaps), as further set out below.

- *Futures*

The Fund may use futures (which specifically include equity futures and equity index futures) for efficient portfolio management purposes including for hedging purposes. For example, the Fund may sell futures on securities or an index to protect against future declines in value of the Fund's investments.

Futures contracts are one of the most common types of financial derivative instrument. A futures contract is an agreement between two parties for the sale of an asset at an agreed upon price. The Fund would generally use a futures contract to hedge against risk during a particular period of time. Futures are similar to forward contracts but are standardised and are valued daily. The daily value provides both parties with an accounting of their financial obligations under the terms of the future.

Equity Futures: A futures contract with an underlying of one particular equity. Equity futures may be used for hedging purposes by reducing or eliminating exposure to assets within the basket of securities that underlies the futures contract.

Index Futures: An index future is a futures contract, the underlying of which is a particular financial index. Index futures may be used for efficient portfolio management purposes; for example, if the Investment Manager wants to hedge risk over a certain period of time, it may use an index future to do so.

- *Swaps*

The Fund may use index swaps and total return swaps. Swaps are contracts between two parties in the OTC market whereby the parties agree to exchange a series of cash flows based on the value of, or return from, one financial instrument with a series of cash flows based on another financial instrument. Index swaps are a specialized group of conventional swaps, where an equity index is used as the agreed exchange for one side of this swap, with terms that can be set from three months to more than a year. Total return swaps are a specialized group of conventional swaps whereby the receiving party also collects any income generated by the financial instrument over the term of the swap.

Short Exposure

Short positions may only be entered into for hedging purposes provided that short positions will not exceed 5% of the net asset value of the Fund. No net short positions will be taken.

Counterparties to Over-The-Counter (OTC) FDIs

Counterparties to OTC FDIs that the Fund may enter into will be counterparties authorised in accordance with the process set forth in the section to Appendix III of the Prospectus entitled "*Eligible Counterparties*". The Fund will only enter into OTC FDIs on behalf of the Fund with counterparties which are subject to prudential supervision and are within categories approved by the Central Bank or otherwise provided for in the Prospectus. It is not possible to comprehensively list in this Supplement all of the counterparties as they may change from time to time. Information on the counterparties to OTC FDIs will be detailed in the annual financial statements of the ICAV.

The use of derivatives entails certain risks to the Fund including those set out below under the heading "Risk Factors" in the Prospectus.

Risk Management Process

The Investment Manager employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative instruments. Details of the financial derivative instruments which may be used are set out in the risk management process filed with the Central Bank. The Manager or its delegate will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the Fund. Any types of financial derivative instruments 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 of the Prospectus gives further description of the types of financial derivative instruments and how they may be used by the Fund.

Investment Strategy

The Investment Manager, using advice from the Investment Advisor, will seek to achieve the Fund's investment objective, by allocating the Fund's assets to Chinese equities and equity-related securities, which exposure may be achieved either directly (by utilising Allocated Portions

managed by discretionary sub-investment managers selected by the Investment Manager) and / or indirectly (through investment in Regulated Funds). Together, such Allocated Portions and Regulated Funds are hereinafter referred to as “reference portfolios”. For the avoidance of doubt, the terms “Allocated Portions” / “reference portfolio” refer to a portion of the assets of the Fund and should not be construed as a reference to a separate account/portfolio/portion of the assets of the Fund.

The investment managers of such reference portfolios shall not be affiliated with the Investment Manager.

The Investment Manager intends to pursue a strategy of identifying and allocating to reference portfolios, which are managed by specialist investment managers, who are considered by the Investment Manager to have the necessary skills and expertise in researching and managing portfolios of mainland and offshore Chinese equities and equity-related securities and in managing assets on behalf of global clients such as the Fund. For the avoidance of doubt, any sub-investment manager appointed to manage an Allocated Portion, will be required to be cleared to act in a discretionary capacity by the Central Bank of Ireland.

The Investment Manager will follow a multi-step process which seeks to identify investment managers who are suitable and qualified to manage the assets of the Fund in accordance with the overall strategy. In particular, the Investment Manager seeks to identify investment managers who have the capability to deliver repeatable outperformance over a market cycle and whose strategy/holdings are considered complementary to the rest of the portfolio. Such investment managers may include sector or industry specialists, geographic specialists, or investment managers with particular expertise on mainland China equities versus offshore Chinese equities.

The Investment Manager expects to make allocations to between five and fifteen reference portfolios. These are guidelines only and should not be seen as minimum or maximum values. The Investment Manager further expects that the majority of these allocations will be made via Regulated Funds as opposed to Allocated Portions.

In selecting reference portfolios and determining the proportion of the Fund to allocate to each, the Investment Manager will aim to construct an overall portfolio that is not dominated by any one investment style, any one management technique, any one sector or any single geographical region. The aim is to have a portfolio which has exposure to as many of these factors as practical, and which the Investment Manager believes will be able to deliver performance in most market environments. The Investment Manager has a strong preference for allocating to reference portfolios which generate performance through superior stock selection rather than by making decisions involving rotation into or out of particular asset classes. The Investment Manager anticipates adopting a core/satellite methodology, wherein a subset of the reference portfolios (the core) adopts a well-diversified strategy with a large number of positions and relatively smaller excess positions compared to their benchmarks while the remainder of the reference portfolios (the satellites) adopt more concentrated, sector-specific approaches which are expected to generate greater levels of relative performance. By judiciously combining core and satellite reference portfolios, the Investment Manager hopes to construct a portfolio as outlined, where no single factor dominates the overall investment outcome.

Both qualitative and quantitative criteria are factored into the investment manager selection process. These criteria include portfolio management experience, strategy, style, historical performance and risk management philosophy as well as their approach to sustainable investment, as further set out below. The Investment Manager also examines the organisational

infrastructure of the investment manager of the reference portfolio, including regulated status, the quality of the investment professionals and staff, the types and application of internal controls, and any potential for conflicts of interest.

The Investment Manager uses its own in house proprietary risk systems as well as data sourced from external third party systems (such as MSCI BarraOne risk system, Style analytics, Factset Workbench) to analyse the composition of risk to the overall portfolio from individual reference portfolios, sector allocation, regional allocation, and stock selection, where these considerations have a direct bearing on portfolio sizing. The Investment Manager will construct a portfolio of reference portfolios, taking into account the overlap and correlation between reference portfolios and the risk of individual managers, any internal investment guidelines as well as compliance with regulatory requirements.

The decision to take direct exposure (via Allocated Portions) versus indirect exposure (via Regulated Funds) will be driven by several considerations, including but not limited to:

- an investment manager's willingness to be appointed as a sub-investment manager to manage assets on behalf of the Fund;
- the existence of any comparable Regulated Funds managed by an investment manager, which satisfy the investment requirements and selection criteria set out by the Investment Manager;
- the fees and expenses of investing via an Allocated Portion versus the fees and expenses of investing via a comparable Regulated Fund offered by the same sub-investment manager;
- market conditions which may favour investment via Regulated Funds as opposed to direct investment via Allocated Portions (for example, capacity limitations or minimum account sizes which the sub-investment manager may impose).

The Investment Manager will use its judgement when considering reference portfolios to construct an overall portfolio that it believes will be most beneficial to investors in the Fund.

The Investment Manager will manage and monitor the Fund's portfolio on an on-going basis to ensure that the portfolio continues to fulfil the requirements of the investment objective.

Sustainability Risks

Evaluation of sustainability risks forms an important part of the Investment Manager's due diligence process when selecting and monitoring investments of the Fund and assessing and monitoring investment managers of reference portfolios. Sustainability risk is an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investments of the Fund. Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the manner set out below.

The Investment Manager assesses the reference portfolio investment manager's philosophy and culture to responsible investing and seeks to understand the ability of the reference portfolio investment managers to incorporate ESG analysis and considerations in their decision-making process. The Investment Manager actively engages with reference portfolio investment managers to set expectations with regards to responsible investing, including assistance in

improving ESG policies, where required, and the integration of sustainable risk into investment processes.

The Investment Manager prefers appointing reference portfolio investment managers who:

- have shown commitment to actively integrating sustainability risks into their investment decision processes whilst maintaining financial performance;
- use both qualitative analysis and quantitative tools to identify, monitor and manage sustainability risk throughout their investment portfolios.

In this context qualitative analysis refers to a subjective evaluation made by the reference portfolio investment manager to determine the degree to which a portfolio company may be at risk of a sustainability event which could cause a material loss of value. Quantitative techniques complement this analysis, for example by examining sustainability scores provided by third party risk services. These examples are illustrative and not exhaustive and may be applied at various stages of the reference portfolio investment manager's process, from screening for new investments to performing pre-investment due diligence to ongoing risk management after an investment has been made.

On a periodic basis, the Investment Manager will monitor the level of sustainability risk of the reference portfolios through review of ESG data published by selected data providers to determine whether the level of sustainability risk has changed since the initial evaluation and due diligence of the reference portfolio investment manager. Where the sustainability risk associated with a particular reference portfolio has increased beyond the ESG risk appetite for the Fund, the Investment Manager will engage with the reference portfolio investment manager in this regard and may consider reducing the Fund's exposure to the relevant reference portfolio, taking into account the best interests of the Shareholders of the Fund.

Having assessed the likely impact of sustainability risks on the returns of the Fund (being the risk that the value of the Fund could be materially negatively impacted by an ESG event), the Investment Manager has determined that the likely impact of sustainability risk on the returns of the Fund is low.

For the purposes of 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 ("SFDR"), the Fund is not subject to Article 8 or Article 9 of SFDR.

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 Article 5 or Article 6 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 the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

6. Securities Financing Transactions Regulations and Total Return Swaps

Securities Financing Transactions

The Fund may not enter into securities financing transactions such as stock lending and borrowing and repurchase and reverse repurchase agreements.

Total Return Swaps

The Fund may enter total return swaps for efficient portfolio management purposes, to reduce expenses or to hedge against risks faced by the Fund. A total return swap is a derivative contract under which one counterparty transfers the total economic performance, including income from interests and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. The reference obligation of a total return swap may be any security or other investment in which the relevant Sub-Fund is permitted to invest in accordance with its investment objective and policies. The use of total return swaps may expose a Fund to the risks disclosed in the Prospectus at the Section entitled "Risk Factors", sub-paragraph "Risks Associated with 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 Total Return Swap. The maximum proportion of the Fund's assets which can be subject to a Total Return Swap is 10% of the Net Asset Value of the Fund.

The expected proportion of the Fund's assets which will be subject to Total Return Swaps is between 0% and 10% of the Net Asset Value of the Fund's assets. The proportion of the Fund's assets which are subject to 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 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 Total Return Swaps shall be disclosed in the annual report of the ICAV.

Further information relating to securities financing transactions 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.

7. Borrowing, Global Exposure, Leverage and Gearing

Borrowing

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 only. The investment and borrowing restrictions for the Fund are set out in the main body of the Prospectus.

Global Exposure, Leverage and Gearing

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.

The Fund will use the commitment approach to measure global exposure provided, however, that the Investment Manager will not permit the Fund to be geared or leveraged by the use of financial derivative instruments (or otherwise through investment in any security). The Investment Manager shall ensure that the Fund is not leveraged through its use of financial derivative

instruments by ensuring that any financial derivative instrument positions adopted may be hedged or netted, in accordance with the requirements of the Central Bank UCITS Regulations.

Derivatives margin accounts will be funded from the Fund's cash in order to maintain derivatives exposure entered into. The Fund will however not utilise these margin accounts to gear or leverage the Fund. The Fund must ensure that the over the counter derivative instruments utilised are covered at all times (i.e. no uncovered positions will be permitted) by holding the underlying security or an equivalent amount of cash or other sufficient liquid assets to cover the exposure to the over the counter derivative instruments, in accordance with the requirements of the Central Bank UCITS Regulations.

8. Investment Restrictions

The Fund may only invest in assets which are permitted by the UCITS Regulations, details of which are set out under the heading "Permitted Investments" in Appendix I to the Prospectus.

9. Offer of Shares

The initial offer period for Class C Shares has now closed.

Class F (Founder) Shares will be available from 9.00 a.m. on [] 2022 to 5.00 p.m. on [] 2022 at the initial issue price of USD100 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 and/or the Manager in accordance with the requirements of the Central Bank.

Class A, B and Z Shares will continue to be available until 5.00 p.m. on 16 November 2022 at the initial issue price of USD100 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 and/or the Manager in accordance with the requirements of the Central Bank.

Applications for Shares in the Fund must be received before the Subscription Dealing Deadline. Confirmed cleared funds must be received by the Subscription Dealing Deadline or such later deadline as the Manager may from time to time permit in accordance with the requirements of the Central Bank. 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 the Valuation Point on the relevant Dealing Day. Any applications or cleared funds received after the Subscription Dealing Deadline will be held over until the next Dealing Day.

10. Minimum Initial Subscription / Minimum Additional Investment

The minimum initial subscription in respect of Class B Shares is USD1,000,000 (or such lesser amount as the Directors and/or the Manager may permit). 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 Class B Shares shall be treated equally and fairly.

The minimum initial subscription in respect of Class C Shares is USD5,000,000 (or such lesser amount as the Directors and/or the Manager may permit). 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 Class C Shares shall be treated equally and fairly.

The minimum initial subscription in respect of all other Share Classes is USD2,500 or the equivalent thereof in the currency of the relevant Class (or such lesser amount as the Directors and/or the Manager may permit). 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.

The minimum additional investment in respect of all Share Classes is USD 2,500 or the equivalent thereof in the currency of the relevant Class (or such lesser amount as the Directors and/or the Manager may permit). 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.

Investors' attention is also drawn to the provisions of Section 2 above.

11. Application for Shares

Investors may apply for shares subject to and in accordance with the subscription procedures set out in the Prospectus.

Notwithstanding anything to the contrary set out in the Prospectus, the Subscription Price shall be adjusted as may be necessary to round the resulting amount to the nearest three decimal places, as the Directors deem appropriate, of the currency in which such Shares are designated.

12. Redemption of Shares

Investors may request the redemption of their shares subject to and in accordance with the redemption procedures set out in the Prospectus.

Notwithstanding anything to the contrary set out in the Prospectus, the Redemption Price shall be adjusted as may be necessary to round the resulting amount to the nearest three decimal places, as the Directors deem appropriate, of the currency in which such Shares are designated.

Redemption proceeds in respect of Shares will typically be paid within five Business Day of the relevant Dealing Day and in any event will be paid within ten Business Days of the Redemption Dealing Deadline for the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Manager.

13. Switching of Shares

Shareholders may request conversion of some or all of their Shares in the Fund to Shares in the same Class of another fund of the ICAV subject to and in accordance with the formula and procedures specified in the Prospectus.

14. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders

requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Subscription Day or Redemption Day following the ending of such suspension.

15. Fees and Expenses

Investors' attention is drawn to the section in the Prospectus headed "Fees and Expenses" which sets out the fees which may apply to the Fund.

Once launched, the Fund will bear its share, as determined by the Directors and/or the Manager, of (i) the fees and expenses relating to its registration for sale in various markets and (ii) its attributable portion of the fees and operating expenses of the ICAV.

Establishment Expenses

The fees and expenses relating to the establishment and organisation of the Fund including the fees of the Fund's professional advisers will be borne by the Fund. Such fees and expenses are estimated not to exceed EUR 25,000 and will be amortised over a period of up to five (5) years from the date of the launch of the Fund.

Fees of the Manager

The Manager shall be entitled to receive out of the assets of the Fund, an annual fee, exclusive of VAT (if applicable) of (i) USD 5,000 in respect of the preparation of the financial statements relating to the Fund, which is accrued daily and payable monthly (the "**Fixed Component**") plus (ii) the annual management fees as detailed in the table below, accrued and calculated at each Valuation Point (the "**Variable Component**").

Net Asset Value	Annual Management Fee Rate
From USD 0 to USD 50 million*	0.149%
From USD50 to USD 100 million*	0.127%
From USD 100 to USD 250 million*	0.095%
From USD 250 to USD 500 million*	0.074%
From and above USD 500 million	0.058%

*Only the Net Asset Value within the stated range will be subject to the indicated fee rate.

The Variable Component is subject to an annual minimum of USD 48,000. Such management fee shall be payable monthly in arrears.

In addition to the above, where sub-investment managers are appointed by the Investment Manager and provided the net asset value of the Fund has reached USD 50million (or such other level as may be agreed between the parties and notified to Shareholder in advance), the Manager shall be entitled to a monthly administration fee of USD 750 for each sub-investment manager as well as a monthly risk management fee in respect of those sub-investment managers as detailed in the table below:

No. Sub-Investment Managers	Monthly Fee
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1-3	USD 1,200
4-6	USD 2,400
7-12	USD 3,600

For the avoidance of doubt, where the Fund invests only through collective investment schemes (with no sub-investment manager appointments), these additional monthly fees will not apply.

The Manager shall be further entitled to be repaid out of the assets of the Fund all of its reasonable and properly vouched out-of-pocket expenses, plus VAT, if any, thereon, incurred by it in respect of the Fund in the performance of its duties and responsibilities.

The Manager may waive or rebate all or part of the management fee to Shareholders, provided that any such waiver shall be in accordance with the rules and requirements of the Central Bank and that Shareholders in the same position in the same Class shall be treated equally and fairly.

Investors' attention is also drawn to the sections in the Prospectus headed "Fees and Expenses" - "Management Fees".

Fees of the Investment Manager

Investment Management Fee

The ICAV shall pay out of the assets of the Fund an annual Investment Management Fee, exclusive of VAT, in respect to each Class as follows:

Class:	Rate
Class A	0.75% of the Net Asset Value applicable to Class A
Class B	0.40% of the Net Asset Value applicable to Class B
Class C	0.25% of the Net Asset Value applicable to Class C
Class F (Founder)	0.35% of the Net Asset Value applicable to Class F (Founder)
Class Z	0% of the Net Asset Value applicable to Class Z

PROVIDED THAT the Investment Manager is entitled to increase its Investment Management Fees up to a maximum of 2.00% of the Net Asset Value of the relevant Share Class to cover the fees of any sub-investment managers, where appointed. Shareholders will be notified in writing in advance of any proposed increase of such fees up to such maximum.

The fee payable will be calculated and accrued daily based on the daily Net Asset Value of the relevant Class and will be paid monthly in arrears.

The Investment Manager shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out-of-pocket expenses properly incurred by it in the performance of its duties and responsibilities under the Investment Management and Distribution Agreement in respect of the Fund.

Investment Manager Performance Fee

In respect of Class A Shares and Class B Shares (the "**Relevant Share Class(es)**"), the Investment Manager is entitled to receive an Investment Manager Performance Fee payable out of the assets of the Fund attributable to the Relevant Share Classes. For the avoidance of doubt, no Investment Manager Performance Fee will be payable in respect of Class C Shares, Class F (Founder) Shares or Class Z Shares.

The Investment Manager Performance Fee shall be 10% for Class A and 10% for Class B of the difference between (i) the daily cumulative percentage movement of the Net Asset Value per Share of the Relevant Share Class (after deduction of all other fees and expenses); and (ii) the daily cumulative performance of the Benchmark. The performance period shall be the period ending on 30 June of each year (the "**Performance Period**"). The first Performance Period shall commence on the date on which the Relevant Share Class is issued at the close of the Initial Offer Period (the "**Inception Date**") and end on the 30 June in a year which is at least twelve months subsequent to the Inception Date.

The Investment Manager Performance Fees will be payable only on the amount by which the Net Asset Value attributable to the Relevant Share Class outperforms the Benchmark. Any underperformance against the Benchmark in the preceding Performance Periods must be cleared before an Investment Manager Performance Fee becomes due in a subsequent Performance Period.

The past performance of the Fund against the Benchmark can be found at <https://www.riscura.com/funds/china-equities/>.

A worked example of how the Performance Fees will be calculated during each Performance Period is set out below.

If Shares are redeemed from the Fund during a Performance Period, then any performance fee accrued in respect of the redeemed Shares will crystallise at the time of such redemption and be payable to the Investment Manager at the end of the relevant month in which the redemption takes place.

The Investment Manager Performance Fee will be calculated on each Business Day and accrued daily in the Net Asset Value of each Relevant Share Class. The first value used in determining the first Investment Manager Performance Fee shall be the Initial Price of the Relevant Share Class.

The Investment Manager Performance Fees shall be calculated by the Manager. The calculation of the Investment Manager Performance Fee will be verified by the Depositary and will not be open to the possibility of manipulation.

Excess performance is calculated net of all costs (after deducting the Investment Manager Performance Fee itself).

Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Share. As a result, Investment Manager Performance Fees may be paid on unrealised gains which may subsequently never be realised Further, investors should be aware that performance fees may be payable in times of negative performance (for

example, the Relevant Share Class has out-performed the Benchmark, but, overall, has a negative performance).

The Investment Manager Performance Fee is payable to the Investment Manager annually in arrears within 30 calendar days of 30 June of each year or such other timeframe as may be agreed from time to time. For the avoidance of doubt, the calculation of the Performance Fee does not crystallise more than once per year.

Worked Example of Performance Fee

Set out below in chart format is a worked example of how the Performance Fee will operate in practice, demonstrating that it will only accrue in circumstances where the return of the Relevant Share Class in any given Performance Period is greater than the return of the Benchmark.

Performance Fee Example: Based on outperformance of an Benchmark

Relevant Date	Gross NAV per Share	Benchmark Value	Share Class Return	Benchmark Return	Geometric Difference Share Class vs Benchmark Return	Performance Fee Rate	Number of Shares	Performance Fee Accrued
Calculation Day (T-1)	\$100.00	100.00	-	-	-	-	-	-
1st Valuation Point of Calculation Period (T0)	\$101.00	102.00	1.00%	2.00%	-0.98%	10%	10,000	-
Valuation Point (T1)	\$104.00	103.00	4.00%	3.00%	0.97%	10%	10,000	\$ 1,009.71
Valuation Point (T2)	\$101.00	102.00	1.00%	2.00%	-0.98%	10%	10,000	-

Outperformance vs Benchmark								
Calculation Day (T3) - Positive Performance Scenario	\$101.40	100.50	1.40%	0.50%	0.90%	10%	10,000	\$908.06
Calculation Day (T3) - Negative Performance Scenario	\$99.00	95.00	-1.00%	-5.00%	4.21%	10%	10,000	\$4,168.42

Underperformance vs Benchmark								
Calculation Day (T3) - Positive Performance Scenario	\$101.40	104.00	1.40%	4.00%	-2.50%	10%	10,000	-
Calculation Day (T3) - Negative Performance Scenario	\$99.00	100.00	-1.00%	0.00%	-1.00%	10%	10,000	-

The above example can be explained further as follows:

T-1 - a sample Share Class launch value and Benchmark value at launch date which is the beginning of the Performance Period;

T0 – the first valuation point where the Share Class return is positive, however the Benchmark return for the period is greater, accordingly, there is no accrual of performance fees;

T1 - the second valuation point where the Share Class return is positive and this return is greater than the Benchmark return, accordingly, there is an accrual of performance fees;

T2 - the third valuation point where the Share Class return is positive, however, the Benchmark return is greater so the performance fee accrual for the prior day is reversed and, accordingly, there is no accrual of performance fees;

T3 – the fourth valuation point outlines a number of scenarios:

- Scenario 1 (Outperformance vs Benchmark) where the Share Class return is positive and this return is greater than the Benchmark return, accordingly, there is an accrual of performance fees;
- Scenario 2 (Outperformance vs Benchmark) where the Share Class return is negative and the Benchmark return is also negative. However, the Share Class has performed better than the Benchmark as it has a lower negative return, accordingly, there is an accrual of performance fees;
- Scenario 3 (Underperformance vs Benchmark) where the Share Class return is positive, however, the Benchmark return for the period is greater, accordingly, there is no accrual of performance fees;
- Scenario 4 (Underperformance vs Benchmark) where the Share Class return is negative and the Benchmark return is zero, accordingly, the Benchmark return is greater so there is no accrual of performance fees.

In cases where the Share Class return exceeds the Benchmark return, the examples demonstrate the application of the Performance Fee rate of 10%, which is applied to the geometric difference between the Share Class return and Benchmark return based on the Net Asset Value of the relevant Share Class.

Fees of the Sub-Investment Manager(s)

Save as set out below, the Investment Manager shall pay the fees and expenses of any sub-investment manager appointed by it out of its own fee.

In the event that any fees, including performance fees, are payable to a sub-investment manager(s) out of the assets of the Fund, this Supplement shall be updated in advance to reflect details of any such appointments and the associated fees.

Fees in respect of underlying collective investment schemes

The Fund may incur additional fees and expenses via its investment in other funds such as preliminary, initial charges or redemption charges as well as investment management fees. The applicable charges, which will be borne by the Fund, will vary depending on the nature of the collective investment scheme in which the Fund may invest. The investment management charges will range from 0.25% to 1.5% of the net asset value of the underlying schemes. In addition, performance fees may also apply.

Subscription Fee

The Directors do not currently intend to charge any subscription fee and will give reasonable notice to Shareholders of any intention to charge such a fee.

Redemption Fee

No redemption fees will apply.

16. Dividends and Distributions

All Share Classes are accumulating Classes. It is not currently intended to make distributions to Shareholders.

All net investment income return (i.e. income from dividends, interest or otherwise, less its accrued expenses for the accounting period) and realised and unrealised capital gains net of realised and unrealised losses will be accumulated and reflected in the Net Asset Value per Share.

The Directors may at any time determine to change the policy of the Fund with respect to dividends distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and Shareholders will be notified in advance.

17. Risk Factors

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "The ICAV"). Past performance of similar investments is not necessarily a guide to the

future performance of the Fund's investments. The value of any investment can go down as well as up. An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.

In addition, the following Risk Factors are specific to the Fund:

Chinese political and social risks

Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to China could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the Fund assets. Investors should also note that any change in the policies of the government and relevant authorities of China may adversely impact the securities markets in China as well as the performance of the Fund.

Chinese economic risks

The economy in China has experienced significant and rapid growth in the past twenty years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the Chinese economy. Economic growth has also been accompanied by periods of high inflation. The Chinese government has implemented various measures from time to time to control inflation and restrain the rate of economic growth. Furthermore, the government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of China. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those policies may have an adverse impact on the Chinese markets and therefore on the performance of the Fund.

Chinese financial markets risks

Investors should note that the financial markets in China are at a developing stage and trading volumes may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes may result in prices of securities fluctuating significantly, which could result in substantial volatility in the Net Asset Value of the Fund. The regulatory and legal framework for capital markets and securities in China is still developing when compared with those of developed countries.

Risks linked to intervention of the government in financial markets

The Chinese government and regulators may intervene in the financial markets in China, such as by imposing trading restrictions, a ban on "naked" short selling or suspending short selling for certain securities. This intervention may affect the activities of the Fund and may have an unpredictable impact on the Fund. Furthermore, this intervention may have a negative impact on overall market sentiment, which may in turn affect the performance of the Fund.

China A Shares Risks

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. The price at which securities may be purchased or sold may be adversely affected if trading markets for China A Shares are limited or absent. The China A Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Fund.

Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible to liquidate positions and could thereby expose the Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible to liquidate positions at a favourable price, which could thereby expose the Fund to significant losses.

Risks relating to the QFI regime

QFI risk. The Fund may invest directly in QFI eligible investments subject to the relevant sub-investment manager (the “Sub-Investment Manager”) obtaining the necessary QFI licence.

The QFII and RQFII regimes were first introduced in 2002 and 2011 respectively to allow certain qualified non-PRC institutional investors to directly invest in specific PRC domestic securities. From 1 November 2020, the QFII and RQFII regimes have been merged into a combined scheme for QFIs. Under the current QFI regime, QFIs are allowed to invest in an expanded scope of securities and futures in the PRC market. Moreover, the previous quota restrictions on a QFII/RQFII's domestic investment have been repealed and a QFI, after obtaining the license from the China Securities Regulatory Commission (“CSRC”), only needs to complete the Foreign Exchange Registration with China's State Administration of Foreign Exchange (“SAFE”).

The primary PRC regulators of the QFI regime are CSRC, SAFE and the People's Bank of China (“PBOC”). CSRC is responsible for approving license applications made by prospective international investors, and together with PBOC, responsible for supervising and regulating domestic securities and futures investment activities by QFIs, while SAFE and PBOC are responsible for monitoring and regulating QFI's bank accounts in China, cross-border transfer of funds and other relevant matters. Apart from obtaining the license from CSRC and completing the Foreign Exchange Registration with SAFE mentioned above, a QFI must also engage one or multiple qualified onshore commercial banks to act as its custodian(s) (“PRC Custodians”) and engage one or multiple onshore securities companies to act as its broker(s) for securities trading (“PRC Brokers”).

Application of QFI rules. The operation of the QFI regime is subject to complex and evolving policies, rules, regulations, and market forces. As a result, the Sub-Investment Manager's ability to invest under or rely on the QFI regime could change suddenly and significantly. The Fund could be required to repatriate, unwind, terminate, reduce or replace securities or otherwise adjust portfolio exposure – all at a potential material loss to the Fund. The QFI investment regulations apply to the Sub-Investment Manager (which is a QFI license holder) as a whole, and not simply

to investments made by the Fund. Investors should be aware that violations of the Investment Regulations arising from activities related to the Sub-Investment Manager as a QFI (even where such activities are not for the Fund) could result in the revocation of, or other regulatory action in respect of, the appropriate QFI status as a whole.

Limits on investments in China A Shares, and the regulations relating to the repatriation of capital and profits, may be applied on the basis of each QFI as a whole. The ability of the Fund to make investments and/or repatriate monies under the QFI regime may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors utilizing the status of the same QFI license holder. There can be no assurance that the Sub-Investment Manager will be able to meet all applications for subscription to the Fund, nor that redemption requests will be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in QFI repatriation procedures.

Custodial risk. The PRC Custodian shall take into its custody or under its control property of the Fund and hold it on trust for Shareholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC law, cash deposited in the cash account(s) of a Fund with the PRC Custodian and the Fund will not be segregated but will be a debt owing from the PRC Custodian to the Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Fund will not have any proprietary rights to the cash deposited in such cash account(s), and the Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian. The Fund may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the Fund will suffer. In addition, in the event of any default of the PRC Custodian in the settlement of any transaction or in the transfer of any funds or securities in the PRC, the Fund may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the Fund.

PRC brokerage risk. The execution of transactions may be conducted by PRC Broker(s) appointed by the QFI. As a matter of practice, only one PRC Broker can be appointed in respect of each stock exchange in the PRC. Thus, the Fund will rely on only one PRC Broker for each stock exchange in the PRC, which may be the same PRC Broker. If the Sub-Investment Manager is unable to use its designated PRC Broker in the PRC, the operation of the Fund will be adversely affected. Further, the operation of the Fund may be adversely affected in case of any acts or omissions of the PRC Broker. If a single PRC Broker is appointed, the Fund may not necessarily pay the lowest commission available in the market. The QFI holder however, in the selection of PRC Brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. There is a risk that the Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Fund may be adversely affected in the execution of any transaction. As a result, the Net Asset Value of the Fund may also be adversely affected. Subject to the applicable laws and regulations, the Sub-Investment Manager will make arrangements to satisfy itself that the PRC Brokers have appropriate procedures to properly segregate the Fund's securities from those of the relevant PRC Brokers.

Risks associated with the Stock Connect scheme

The Fund may invest directly or indirectly in China A shares through the Shanghai Hong Kong Stock Connect scheme, or the Shenzhen Hong Kong Stock Connect scheme (the "Stock

Connect” schemes). The Stock Connect schemes are a securities trading and clearing linked programs developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), the relevant PRC exchange (Shanghai Stock Exchange or Shenzhen Stock Exchange) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”).

The aim of Stock Connect is to achieve mutual stock market access between Mainland China and Hong Kong. The stock exchanges of the two jurisdictions continue to issue revised details of Stock Connect, for example operational rules, from time to time. Stock Connect enables investors to trade eligible shares listed on the other’s market through local securities firms or brokers.

Stock Connect comprises Northbound Trading Links and Southbound Trading Links. Under the Northbound Trading Links, investors, through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited (“SEHK”), are able to place orders to trade eligible China A shares listed on the relevant PRC Stock Exchange (“Stock Connect Securities”) by routing orders to such PRC stock exchange. All Hong Kong and overseas investors (including the Fund) can trade Stock Connect Securities via Stock Connect through the relevant Northbound Trading Link.

Stock Connect Securities Risks

There can be no assurance that an active trading market for Stock Connect Securities will be maintained nor that the schemes will be maintained indefinitely. If transactions costs on Stock Connect Securities are high, this may adversely affect the Fund's ability to dispose of such securities at the desired price. If the Fund needs to sell Stock Connect Securities at a time when no active market for them exists, the price it receives for its Stock Connect Securities - assuming it is able to sell them - is likely to be lower than the price received if an active market did exist, and thus the performance of the Fund may be adversely affected depending on the Fund’s size of investment in securities through Stock Connect.

Quota Limitations

Stock Connect is subject to daily quota limitations which may restrict the Fund’s ability to invest in China A-Shares through the programme on a timely basis and as a result, the Fund’s ability to access the China A-Shares market (and hence to pursue its investment strategy) may be adversely affected.

Trading under Stock Connect will be subject to the daily quota. The daily quota may change and consequently affect the number of permitted buy trades on the relevant Northbound Trading Link. The Fund does not have exclusive use of the daily quota and such quotas are utilised on a “first come – first served” basis. Therefore, quota limitations may restrict the Fund’s ability to invest in or dispose of Stock Connect Securities.

Clearing and Settlement Risk

The Stock Connect infrastructure involves two central securities depositories - Hong Kong Securities Clearing Company Limited (“HKSCC”) and ChinaClear. HKSCC and ChinaClear have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on

the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

The Fund's rights and interests in Stock Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of Stock Connect Securities credited to HKSCC's omnibus account with ChinaClear. The relevant measures and rules in relation to the Stock Connect scheme generally provide for the concept of a "nominee holder" and recognise the investors including the Fund as the "beneficial owners" of the Stock Connect securities.

However, the precise nature and rights of an investor as the beneficial owner of Stock Connect Securities through HKSCC as nominee is less well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law. Therefore, the Fund's assets held by HKSCC as nominee (via any relevant brokers' or custodians' accounts in CCASS) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Fund.

In connection to this, in the event of a default, insolvency or bankruptcy of a custodian or broker, the Fund may be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

In the remote event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any securities trades, ChinaClear may deduct the amount of that shortfall from HKSCC's omnibus account with ChinaClear, such that the Fund may share in any such shortfall.

HKSCC is the nominee holder of the securities acquired by investors via Stock Connect. As a result, in the remote event of a bankruptcy or liquidation of HKSCC, the Stock Connect Securities may not be regarded as the general assets of HKSCC under the laws of Hong Kong and will not be available to the general creditors of HKSCC on its insolvency. In addition, as a Hong Kong incorporated company, any insolvency or bankruptcy proceedings against HKSCC will be initiated in Hong Kong and be subject to Hong Kong law. In such circumstances, ChinaClear and the courts of Mainland China will regard the liquidator of HKSCC appointed under Hong Kong law as the entity with the power to deal with the relevant securities in place of HKSCC.