

**Supplement dated 29 June 2023  
to the Prospectus for Prescient Global Funds ICAV**

**27FOUR GLOBAL EQUITY FUND OF FUNDS**

This Supplement contains specific information in relation to the 27four Global Equity Fund of Funds (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 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, which is contained in the Prospectus dated 13th November, 2019 and addenda issued thereto in accordance with the requirements of the UCITS Regulations (the “Prospectus”) and is available from the Manager at 35 Merrion Square, Dublin 2, Ireland.**

**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”** means the MSCI World Index (Ticker: MXWO). The MSCI World Index is the Morgan Stanley Capital International World Index which is a free float-adjusted market capitalization index that is designed to measure developed-market equity performance throughout the world.

**“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.

**“Dealing Day”** Means every Business Day and/or such other day or days as the Directors and/or the Manager 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.

**“Dealing Deadline”**

Means 10 a.m. (Irish time) on the relevant Dealing Day or such other time as the Directors and/or the Manager may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.

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

**Available Classes:**

A, B, C and D. The share classes are priced in the following currencies:

A: USD

B: GBP

C: USD

D: USD

**Base Currency:**

USD.

**Minimum Subscription:**

**Class A**

10 000 USD (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). The Directors or the Manager have the right at their discretion to waive this restriction at any time.

**Class B**

7 000 GBP (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). The Directors or the Manager have the right at their discretion to waive this restriction at any time.

**Class C**

1 000 000 USD (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). The Directors or the Manager have the right at their discretion to waive this restriction at any time.

**Class D**

500 000 USD (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund). The Directors or

the Manager have the right at their discretion to waive this restriction at any time.

**Minimum Holding:**

**Class A**

2 000 USD (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class B**

1 500 GBP (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class C**

200 000 USD (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Class D**

200,000 USD (or such lesser amount as the Directors and/ or the Manager may permit particularly in the context of fluctuations of the Net Asset Value of any relevant Fund).

**Minimum  
Additional Investment  
for Class A, B, C and D:**

1 000 USD (or less at the discretion of the Directors and/ or the Manager) or equivalent in the currency of the relevant Class.

**Investment Manager and  
Distributor**

The Investment Manager and Distributor of the Fund is 27four Investment Managers (Pty) Limited (the "Investment Manager"). The address of the Investment Manager is Firestation Rosebank, 5<sup>th</sup> Floor, 16 Baker Street, Rosebank, Johannesburg, 2196, South Africa. The Manager has appointed 27four Investment Managers (Pty) Limited as Investment Manager to the Fund with discretionary powers pursuant to the Investment Management and Distribution Agreement. Under the terms of the Investment Management and Distribution 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 Manager.

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 01 March, 2007 under the Registrar of Companies and is regulated and authorized by the Financial Sector Conduct Authority of South Africa as a Discretionary Financial Services Provider.

The Investment Manager may delegate the discretionary Investment Management of the Fund to sub-investment managers in accordance with the requirements of the Central Bank. The fees of each sub-investment manager so appointed shall be paid by the Investment Manager out of its own fee. 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.

## **Investment Management Agreement**

The Investment Management and Distribution Agreement dated 6 August, 2013 between the Manager and the Investment Manager as may be amended, supplemented or replaced from time to time. The Investment Management and Distribution 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 120 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 and Distribution 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.

**Fees:**

Investors' attention is drawn to the section in the Prospectus headed "Fees and Expenses", which include:

- (i) the maximum fees payable to the Manager and the Depositary;
- (ii) a preliminary fee up to a maximum of 5% of the Subscription Price may be imposed by the Directors or the Manager, subject to the Directors' or the Manager's discretion to waive such fee or to differentiate between shareholders;
- (iii) a redemption fee up to a maximum of 3% of the Redemption Price may be imposed by the Directors or the Manager, subject to the Directors' or the Manager's discretion to waive such fee or to differentiate between shareholders; 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.

The Investment Manager may rebate all or part of its investment management fee to Shareholders, it being acknowledged that such rebate, if any, may differ between Shareholders and that the Investment Manager will have ultimate discretion in this matter. A non-exhaustive list of criteria for the consideration of such rebates may be initial offer period subscriptions, size of investment and prior relationship with the Shareholder.

**Management and Investment**

**Management Fees:**

The 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 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 – 1.35% of the Net Asset Value attributable to Class A Shares. In addition please see the section entitled "Performance Fee" set out below.

- Class B – 1.35% of the Net Asset Value attributable to Class B Shares. In addition please see the section entitled “Performance Fee” set out below.
- Class C – 0.7% of the Net Asset Value attributable to Class C Shares.
- Class D – 0.35% of the Net Asset Value attributable to Class D Shares.

The Manager is entitled to increase its 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.

**Performance  
Fee:**

In respect of Class A and B only, the Investment Manager is entitled to receive a Performance Fee, if any, payable out of the assets of the Fund attributable to Class A and B Shares respectively.

The Investment Manager is entitled to a Performance Fee of a factor applied to the daily share Class Net Asset Value after deduction of the management fee applicable to such Class. Such factor shall be 10% of the difference between the daily cumulative performance of the Net Asset Value attributable to the relevant Class after deduction of the relevant Classes applicable management fee, and the daily cumulative performance of the Benchmark.

The calculation of the Performance Fee will crystallise annually, on 30 June. 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 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 Performance Fee will be payable only on the amount by which the Net Asset Value attributable to the relevant Class outperforms the Benchmark and any underperformance of the Fund against the Index in the preceding periods must be cleared before a Performance Fee becomes due in subsequent Performance Periods.

Investors should note that the amount of the Performance Fee will be capped at 1.65% so that the maximum total fee payable including the relevant Classes applicable Management Fee for Class A and B shall not exceed 3.00%.

The Performance Fee will be accrued in the Net Asset Value of the relevant Class on a daily basis at the Valuation Point. The Performance Fee will be paid on an annual basis within 60 days of 30 June of each year. For the avoidance of doubt, the calculation of the

Performance Fee does not crystallise more than once per year, except in the case of investor redemptions, as described further 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 Performance Fee will be calculated on each Business Day (the "Calculation Period"). The first Calculation Period in respect of each Class will be the period commencing on the Business Day which immediately follows the closing of the Initial Offer Period in respect of the relevant Class. The first value used in determining the first Performance Fee shall be the Initial Price of the relevant Class.

The Performance Fee shall be paid by the Fund in relation to the relevant Class by settling the outstanding Performance Fee accrual applicable to each Class on an annual basis, notwithstanding that the Net Asset Value of the relevant Class at the time of payment may be less than the Net Asset Value of the relevant Class since inception.

The past performance of the Fund against the Benchmark can be found at [www.27four.com](http://www.27four.com).

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

The Performance Fee will be calculated by the Manager. The calculation of the Performance Fee will be verified by the Depository and will not be open to the possibility of manipulation.

Net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as at the end of the Period. As a result a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

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

**Investors should be aware that it is possible that a performance fee may be payable if the relevant Class has out-performed the Benchmark but overall had a negative performance during the relevant Performance Period.**

#### *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 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 Cap	Performance Fee Accrued
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Calculation Day (T-1)	\$100.00	100.00	-	-	-	-	-		-
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1st Valuation Point of Calculation Period (T0)	\$101.00	102.00	1.00%	2.00%	-0.98%	10%	10,000	1.65%	-
Valuation Point (T1)	\$104.00	103.00	4.00%	3.00%	0.97%	10%	10,000	1.65%	\$ 1,009.71
Valuation Point (T2)	\$101.00	102.00	1.00%	2.00%	-0.98%	10%	10,000	1.65%	-

<b><i>Outperformance vs Benchmark</i></b>									
Calculation Day (T3) - Positive Performance Scenario	\$101.40	100.50	1.40%	0.50%	0.90%	10%	10,000	1.65%	\$908.06
Calculation Day (T3) - Negative Performance Scenario	\$99.00	95.00	-1.00%	-5.00%	4.21%	10%	10,000	1.65%	\$4,168.42

<b><i>Underperformance vs Benchmark</i></b>									
Calculation Day (T3) - Positive Performance Scenario	\$101.40	104.00	1.40%	4.00%	-2.50%	10%	10,000	1.65%	-
Calculation Day (T3) - Negative Performance Scenario	\$99.00	100.00	-1.00%	0.00%	-1.00%	10%	10,000	1.65%	-

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.

The Directors or the Manager may differentiate between the Shareholders of the Fund by waiving or reducing the annual management fees and/or performance fees charged to certain Shareholders. In addition the Investment Manager may rebate all or part of the Management Fee or Performance Fee to Shareholders, it being acknowledged that such rebate, if any, may differ between Shareholders and that the Investment Manager will have ultimate discretion in this matter. A non-exhaustive list of criteria for the consideration of such rebates may be initial offer period subscriptions, size of investment and prior relationship with the Shareholder.

**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.

#### *Agreements with Shareholders*

The Investment Manager may grant different rights with respect to fees with respect to any Shareholder in one Share Class, relative to Shareholders in that Share Class or another Share

Class. To grant such rights, the Investment Manager may enter into, or may have already have entered into, agreements ("Side Letters"). Where permitted by applicable law or regulation, the Investment Manager may enter into such Side Letters without notice to, or the consent of, other Shareholders. The Investment Manager will take all reasonable measures to ensure the equitable treatment of Shareholder in the same Share Class and Shareholders in the same Fund.

#### *Investing in Other Collective Investment Schemes*

The Fund may purchase shares of other collective investment schemes to the extent that such investment is consistent with its investment objective, policies and restrictions. The collective investment schemes invested in by the Fund may be UCITS and/or other collective investment schemes eligible for investment by a UCITS (Regulated Funds).

The cost of investing in a Fund which purchases shares of other collective investment schemes will generally be higher than the cost of investing in an investment fund that invests directly in individual stocks and bonds. By investing in the Fund, an investor will indirectly bear fees and expenses charged by the underlying funds in addition to the Fund's direct fees and expenses. Where a Fund invests substantially in other collective investment schemes, the risks associated with investing in that Fund may be closely related to the risks associated with the securities and other investments held by the other collective investment schemes. The management fees that may be charged by such collective investment schemes will not exceed 400 basis points of the amount invested in such collective investment schemes.

The Fund may invest up to 100% of its Net Asset Value in underlying Regulated Funds. The value of and income from Shares in the Fund will, therefore, be linked to the performance of such underlying Regulated Funds. In addition, the Fund will rely on the calculation and publication of the net asset values of the underlying Regulated Funds in the calculation of its Net Asset Value. Accordingly, any delay, suspension or inaccuracy in the calculation of the net asset value of an underlying Regulated Fund will directly impact on the calculation of the Net Asset Value of the Fund.

The Fund may invest in underlying Regulated Funds which may be invested wholly independently of one another and may at

times hold economically offsetting positions. To the extent that such underlying Regulated Funds do, in fact, hold such positions, the Fund, considered as a whole, cannot achieve any gain or loss despite incurring expenses.

Furthermore, while the Directors or their delegate will exercise reasonable care to comply with the investment restrictions applicable to the Fund, the manager of and/or service providers to the underlying Regulated Funds in which the Fund may invest may not be obliged to comply with such investment restrictions in their management / administration of such funds. No assurance can be given that the investment restrictions of the Fund with respect to individual issuers or other exposures will be adhered to by such underlying Regulated Funds or that, when aggregated, exposure by such underlying Regulated Funds to individual issuers or counterparties will not exceed the investment restrictions applicable to the Fund. If the investment restrictions applicable to the investments directly made by the Fund are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Directors shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Shareholders of the Fund.

Certain underlying Regulated Funds may have quarterly or less frequent dealing days than the Fund. This could impair the Fund's ability to distribute redemption proceeds to a Shareholder who wishes to redeem its Shares because of the Fund's inability to realise its investments. In circumstances where the Underlying Funds have less frequent dealing days than the Fund, it may be necessary for the Directors to impose a restriction of up to 10% of the redemption proceeds, as the Fund is unable to realise its investments in the underlying Regulated Funds or where this reflects the redemption policy of the underlying Regulated Funds until such time as the full redemption proceeds from the underlying Regulated Funds are received. This may mean that a Shareholder's redemption request is not met on that Dealing Day and will then be dealt with on a pro-rata basis on the next and subsequent Dealing Days. It may take a considerable length of time from the notification by a Shareholder of a request for redemption to the payment of the remaining redemption proceeds.

There may be difficulties in obtaining a reliable price for the net asset value of the underlying Regulated Funds as only estimated and indicative valuations of certain underlying Regulated Funds

are available at the Valuation Point for the relevant Dealing Day where a redemption is affected. The underlying Regulated Funds may not have dealing days for redemptions which are the same as the Dealing Days in the Fund. This will lead to pricing risk as the net asset value of the underlying Regulated Funds (on the basis of which the Fund's NAV is calculated) may increase or decrease between the Fund's Dealing Day and the underlying Regulated Funds dealing day. Accordingly, the value of an underlying Regulated Funds used for the purpose of valuing the Fund, at the Valuation Point for the relevant Dealing Day, may differ from the amount received by the Fund when it redeems its interests in the underlying Regulated Funds.

Investors' attention is also drawn to the section in the Prospectus headed "*Cross-Investment*".

#### *Sustainability Risk*

Under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector ("**SFDR**"), the Fund 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 considered relevant due to the broad diversification of the underlying funds held by the Fund.

#### *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 moderate to aggressive 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 generate excess returns above its Benchmark by strategically allocating assets across investment themes, regions, countries, sectors and currencies through expert equity fund selection and portfolio construction processes. Portfolio construction refers to the use of the Investment Manager's expertise and experience in the construction of a portfolio with the aim of managing the size of the exposure to each underlying fund or strategy within an asset class. The Investment Manager's goal is to achieve optimal diversification between style and underlying funds within the context of an overall risk budget. Risk budgeting allows for the creation of more efficient, risk aware investment portfolios.

The Fund is actively managed in reference to the Benchmark by virtue of the fact that the investment objective of the Fund is to outperform the Benchmark and performance fees are calculated on out-performance of the Fund against the Benchmark. The Investment Manager has discretion to invest in securities not included in the Benchmark at any time in order to take advantage of investment opportunities. The investment strategy, as detailed herein, will restrict the extent to which the Fund's holdings may deviate from the Benchmark as follows, this deviation may be material:

- Country limit: Not to exceed the greater of: (a) 90% of the total portfolio or (b) 500% of the country's weight of the Benchmark;
- Sector constraints: Not to exceed the greater of: (a) 90% of the total portfolio or (b) 500% of the sector's weight of the Benchmark;
- Target maximum annualized tracking error of 7%.

Examples of investment themes include:

- Asset class: equities, fixed income;
- Style (equities): value, growth, macro;
- Style (fixed income): credit, duration, selection, rotation, nominal, inflation linked;
- Geographic: developed markets, emerging markets, frontier markets;
- Macro: inflation, interest rates, currencies.

The Fund aims to achieve this investment objective through investment in collective investment schemes or unleveraged exchange-traded funds which physically hold assets ("ETFs") which provide exposure principally to equities, debt securities such as global investment grade fixed or floating rate bonds issued by corporations and governments and other debt securities of governments and corporates of various types and maturities, including, for example, fixed rate, floating rate and variable rate notes, bonds, index linked debt securities, coupon-bearing and deferred interest instruments (such as zero coupon bonds), certificates of deposits, money market instruments such as commercial paper, treasury bills and, currencies and real estate. The collective investment schemes invested in by the Fund may be UCITS and/or other collective investment schemes eligible for investment by a UCITS (hereinafter referred to in this supplement as "Regulated Funds"). For the avoidance of doubt, the Fund will not invest in ETFs which may embed derivatives or leverage.

In addition to the investment in collective investment schemes, the Fund may from time to time hold ancillary liquid financial assets including but not limited to debt securities and money market instruments (as described above). Total exposure to each of the above referenced assets achieved through investment in collective investment schemes will be within the below ranges:

<b>Asset Class</b>	<b>Normal Range (%)</b>	<b>Neutral (%) *</b>
Equity	75 - 100	95
Debt Securities	0 - 10	0
Property	0 – 20	0
Cash / Money Market	0 – 20	5

\* In the long term, it is expected that the asset allocation of the Fund will be approximately in the above referenced neutral position.

There is no geographic or sectoral bias intended. The Fund may have exposures in excess of 30% of the Net Asset Value of the Fund in emerging markets.

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.

No more than 30% in aggregate of the Net Asset Value of the Fund may be invested in alternative investment funds. The primary focus of the Fund will be to invest in UCITS schemes and their sub-funds. In addition the Fund may invest in other sub-funds of the ICAV. In accordance with regulatory requirements the Fund may only invest in a UCITS scheme or alternative investment fund which itself can invest no more than 10% of its net asset value in other UCITS or other collective investment undertakings. Any investment by the Fund in other sub-funds of the ICAV is limited further in that the Fund may only invest in other sub-funds of the ICAV that do not hold units in other sub-funds of the ICAV.

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 funds or a feeder fund.

Any investment in an alternative investment fund will be required to meet the following regulatory requirements:-

- (i) it must have a sole object of collective investment in transferable securities and/or other liquid financial assets of capital raised from the public and operate on the principle of risk spreading;
- (ii) it must be open-ended;

- (iii) it must be authorised under laws which provide that it is subject to supervision considered by the Central Bank to be equivalent to that specified in EU laws and that co-operation between authorities is sufficiently ensured;
- (iv) the level of protection for unitholders in that scheme must be equivalent to that provided for unitholders in a UCITS and in particular the rules on segregation of assets, borrowing, lending and uncovered sales of transferable securities and money market instruments must be equivalent to the requirements of the UCITS Directive; and
- (v) the business of the scheme must be reported in half yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

Pursuant to the Central Bank's Guidance "UCITS Acceptable Investment in other Investment Funds", investment by a UCITS in the following categories of alternatives investment funds are permitted:-

- (i) schemes established in Guernsey and authorised as Class A Schemes;
- (ii) schemes established in Jersey as Recognised Funds;
- (iii) schemes established in the Isle of Man as Authorised Schemes;
- (iv) retail investor alternative investment funds authorised by the Central Bank and alternative investment funds authorised in a Member State of the European Economic Area (European Union Member States, Norway, Iceland, Liechtenstein), the US, Jersey, Guernsey or the Isle of Man provided all such retail investor alternative investment funds and alternative investment funds authorised comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations.

Consequently any investment by the Fund in alternatives investment funds will be restricted to the domiciled in the jurisdictions listed above and/or such other jurisdictions as may be permitted by the Central Bank from time to time.

Although it will be normal policy of the Fund to deploy its assets as detailed above, it may also in addition to the investment in collective investment schemes, the Fund may from time to time hold ancillary liquid financial assets including but not limited to debt securities and money market instruments in appropriate circumstances. Such circumstances may include but are not limited to, where market conditions may require a defensive investment strategy, the holding of debt securities and/or money market instruments pending reinvestment, the holding of debt securities and/or money market instruments (as described above) in order to meet redemptions and payment of expenses. In relation to investment of the above interest bearing securities, 90% of such investments will have a credit rating of "investment grade" by Standard & Poors, Moody's or Fitch Ratings Limited.

It is intended that the Fund will be approved by the Financial Sector Conduct Authority in South Africa for the purposes of inward marketing.

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 80% of the Net Asset Value of the Fund.

## **Derivative Trading**

The Fund will invest in financial derivative instruments (“FDI”) for hedging purposes only as outlined in the section entitled Hedging below. The Fund may use forward currency contracts and forward exchange rate contracts. Unlisted FDI derivative instruments will be limited to unlisted forward currency and exchange rate transactions and will only be permitted for the purposes of efficient portfolio management.

The Fund may employ forward currency exchange contracts and forward exchange rate contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Base currency of the Fund is USD but securities invested in may be denominated in a large range of currencies. Consequently, the Fund may enter into forward currency contracts and forward exchange rate contracts to hedge against exchange rate risk. Performance may be significantly influenced by movements in foreign exchange markets because currency positions held by the Fund may not correspond with the currency of the securities invested in.

The Fund will employ a risk management process which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. 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 and cleared by the Central Bank. 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 as calculated using the commitment approach. The Investment Manager will provide on request to Shareholders supplementary information relating to the risk management methods employed by the ICAV including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments will be measured using the commitment approach.

## **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. The hedging restrictions for the Fund are set out in the main body of 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”.

The Manager shall ensure that any direct and indirect operational costs and/or fees which arise as a result of the use of FDI (including those used for currency hedging) which may be deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant counterparty to the FDI transaction, which, in the case of FDI used for currency hedging purposes, may include the Depositary or entities related to the Depositary. All revenues generated through the use of FDI, net of direct and



indirect operational costs and fees, will be returned to the Fund. The attention of investors is drawn to the section in the prospectus entitled “Efficient Portfolio Management”.

Investors should consult the sections of the Prospectus entitled “Risk Factors- Derivatives and Techniques and Instruments Risk” and “Conflicts of Interest” for more information on the risks associated with efficient portfolio management.

### **Collateral**

Where necessary, the Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS.

Cash collateral received by the Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations and the Central Bank UCITS Regulations. In such circumstances, the Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed.

The level of collateral required to be posted may vary by counterparty with which the Fund trade. The level of collateral required by the Investment Manager in respect of each proposed financial derivative transaction will be determined by the Investment Manager having regard to the permitted exposure limits for the Fund to OTC financial derivative transactions. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund, taking into account the credit standing and price volatility of the relevant counterparty.

### **Borrowings**

Borrowing will not be utilized 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**

Shares are available for subscription on each Dealing Day at the Net Asset Value of the relevant Share Class.

Applications for Shares in the Funds must be received before the Dealing Deadline. Notwithstanding this deadline, the Manager may determine in its sole discretion to accept such later subscription applications in exceptional circumstances and provided that such subscriptions for Shares are received before the Valuation Point on the relevant Dealing Day. Confirmed cleared funds must be received no later than one Business Day after the relevant Dealing Day or such later deadline as the Manager may from time to time permit in accordance with the requirements of the Central Bank of Ireland, provided that, without prejudice to the Manager's ability to cancel subscriptions in the event of non-clearance of funds as set out in the Prospectus, the Manager reserves the right to defer the issue of Shares until receipt of subscription monies by the Fund. 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 therefore received after the Dealing Deadline, or cleared funds not received one Business Day after the relevant Dealing Day (or such later deadline as the Manager may from time to time permit), will be held over until the next Dealing Day.

### **Distribution Policy**

It is not currently intended to distribute dividends 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.