

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

**Prescient Global Balanced Fund**

This Supplement contains specific information in relation to the Prescient Global Balanced 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 East, Dublin 2, Ireland. A list of the other sub-funds of the ICAV is set out in the Existing Fund Supplement to the Prospectus.**

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

**The Fund may engage in transactions in financial derivative instruments for efficient portfolio management purposes including for hedging purposes. The Investment Manager may also make use of adequately covered financial derivative instruments for investment purposes to economically implement the Fund’s investment strategy. 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.

**Interpretation:**

The expressions below shall have the following meanings:

**“Benchmark”**

Means the composite consisting of 40% MSCI World Index, 25% MSCI Emerging Markets Index, 30% Bloomberg Barclays US Treasury 7-10 years Index and 5% Bloomberg Barclays US Treasury 1-3 months Index, or such other appropriate benchmark as may be disclosed to investors in

periodic reports. The MSCI World Index is the Morgan Stanley Capital International World Index which is a free float-adjusted market capitalisation index that is designed to measure developed-market equity performance throughout the world. The MSCI Emerging Markets Index is the Morgan Stanley Capital International Emerging Markets Index which is a free float-adjusted market capitalisation index that is designed to measure equity performance of large and mid-cap securities in 24 Emerging Markets. The Bloomberg Barclays US Treasury 7-10 years Index measures US Dollar-denominated fixed rate, nominal debt issued by the US Treasury with maturity dates between 7 and 10 years. The Bloomberg Barclays US Treasury 1-3 months index measures short term US Dollar-denominated fixed rate, nominal debt issued by the US Treasury with maturity dates between 1 and 3 months. The Benchmark represents a suitably broad mix of assets against which to assess the performance of the Fund and as a basis for the Investment Manager to actively implement the Fund's investment strategy.

As at the date of this Prospectus, the administrator of the MSCI World Index and the MSCI Emerging Markets Index, namely MSCI Limited appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

As at the date of this Supplement, the administrator of the Bloomberg Barclays US Treasury 7-10 years Index and the Bloomberg Barclays US Treasury 1-3 months Index, namely Barclays Risk Analytics and Index Solutions Ltd is availing of the transitional arrangements afforded under the Benchmark Regulation and, accordingly, does not appear 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.

<b>“Benchmark Regulation”</b>	Means Regulation (EU) 2016/1011, as may be amended or supplemented from time to time.
<b>“Business Day”</b>	Means any day, except Saturday, Sunday, on which banks in Ireland are open for business, or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders.
<b>“Dealing Day”</b>	Means every Business Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided there shall be at least two Dealing Days in each month occurring at regular intervals.
<b>“Dealing Deadline”</b>	Means 10.00 a.m. (Irish time) on the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
<b>“Valuation Point”</b>	Means 5.00 p.m. (New York Time) on each Dealing Day (or such other time as the Directors may in their discretion determine and notify to Shareholders in advance); provided always that the Valuation Point shall be after the Dealing Deadline.

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

**Available Class:** A, B, C, D, E, F and G

**Base Currency:** USD.

<b>Share Class Currencies:</b>	Class A, B, C and E:	USD
	Class D:	ZAR
	Class F	GBP
	Class G	EUR

**Minimum Subscription:** **Class A**

USD 1,000 (or such lesser amount as the Directors 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.

#### **Class B**

USD 1,000 (or such lesser amount as the Directors 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.

#### **Class C**

USD 1,000 (or such lesser amount as the Directors 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.

Investment in Class C will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest.

#### **Class D**

ZAR 20 000 (or such lesser amount as the Directors 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. Investment in Class D will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest.

#### **Class E**

USD 1 000 (or such lesser amount as the Directors 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.

## **Class F**

GBP 1 000 (or such lesser amount as the Directors 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.

Investment in Class F will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest.

## **Class G**

EUR 1 000 (or such lesser amount as the Directors 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.

Investment in Class G will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other similar investment management agreement with an entity within the Prescient group and in respect of which the Directors or the Manager deem it appropriate for such clients to invest.

**Minimum  
Additional Investment  
for Class A:**

USD 1,000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Minimum  
Additional Investment  
for Class B:**

USD 1,000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Minimum  
Additional Investment  
for Class C:**

USD 1,000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Minimum  
Additional Investment  
for Class D:**

ZAR 20 000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Minimum Additional Investment for Class E:** USD 1 000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Minimum Additional Investment for Class F:** GBP 1 000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Minimum Additional Investment for Class G:** EUR 1 000 (or less at the discretion of the Directors or the Manager subject to the requirements of the Central Bank) or equivalent in the Base Currency of the Fund.

**Investment Manager:** Prescient Investment Management (Pty) Limited.

**Investment Manager and Distributor:**

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

The Investment Manager was incorporated in South Africa on 26 November 1998 under the Companies Act, 1973 and is regulated by the Financial Sector Conduct Authority of South Africa as a licensed Financial Service Provider No.612 in the conduct of financial services and Investment Management activities.

The Investment Manager may delegate the discretionary investment management of the Fund to sub-investment managers and/or investment advisors in accordance with the requirements of the Central Bank and with the consent of the Manager. 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 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 or redemption fee on redemptions. The Investment Manager may appoint sub-distributors in accordance with the requirements of the Central Bank and with the consent of the Manager.

The Investment Manager shall pay the fees and expenses of any sub-investment manager or any sub-distributor or investment advisor appointed by it out of its own fee.

**Investment Management and  
Distribution Agreement:**

The amended and restated Investment Management and Distribution Agreement dated 11 October 2018 between the Manager and the Investment Manager. 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 90 days written notice although in certain circumstances the Investment Management and Distribution Agreement may be terminated forthwith by notice in writing by either party to the other such as the insolvency of either party or unremedied breach after notice.

The Investment Management and Distribution Agreement provides that the Manager as agent of the Fund 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 Fund or by reason of its relationship with the Fund and arising from breach of the Investment Management and Distribution Agreement by the Manager or arising from the breach by its employees, servants and agents in the performance of their duties or any other cause 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, officers, agents or subcontractors. The Investment Manager shall be responsible for the acts and omissions of any delegates and agents appointed by it to the same extent as if it has performed or failed to perform the acts itself irrespective of the consent from the Manager in relation to the appointment.

**Fees:**

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

- (i) the maximum fees payable to the Depositary;
- (ii) a preliminary fee of up to a maximum of 5.00% of the Subscription Price, subject to the Directors' and the Manager's discretion to waive such fee or to differentiate between Shareholders subject to the requirements of the Central Bank and provided that Shareholders in the same position in the same Class shall be treated equally and fairly;
- (iii) a redemption fee up to a maximum of 3.00% of the redemption price subject to the Directors' and the Manager's discretion to waive such fee or to differentiate between Shareholders subject to the requirements of the Central Bank and provided that Shareholders in the same position in the same Class shall be treated equally and fairly; 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 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 €20,000 and will be borne by the Fund and will be amortised over a period of up to 3 years from the date of the launch of the Fund.

**Management Fees:**

The Manager shall be entitled to receive out of the assets of the Fund an annual management fee calculated and accrued daily based on the daily Net Asset Value of the Fund and payable monthly in arrears at a rate as set out in the table below. The fee is subject to an annual minimum of USD\$78,000, which annual minimum fee may be waived fully or in part at the discretion of the Manager.

Net Asset Value	Annual Management Fee
From USD 0 to USD 100m million	0.116% of the NAV of the Fund



From USD 100 to USD 250 million	0.095% of the NAV of the Fund
From and above USD 250 million	0.074% of the NAV of the Fund

The Manager is entitled to increase its management fees (excluding the performance fee) 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. Investors' attention is also drawn to the sections in the Prospectus headed "*Fees and Expenses*" - "*Management Fees*".

#### **Investment Management Fees:**

The ICAV shall pay the Investment Manager out of the assets of the Fund the following annual fee, exclusive of VAT, in respect to each Class. The fees payable to the Investment Manager will be calculated and accrued daily based on the daily Net Asset Value of the relevant Class and will be paid monthly in arrears.

- Class A – 0.30% per annum of the Net Asset Value attributable to Class A Shares;
- Class B – 0.50% per annum of the Net Asset Value attributable to Class B Shares;
- Class C – 0.00% per annum of the Net Asset Value attributable to Class C Shares; and
- Class D (hedged) – 0.00% per annum of the Net Asset Value attributable to Class D Shares;
- Class E – 1.00% per annum of the Net Asset Value attributable to Class E Shares;
- Class F (hedged) – 0.00% per annum of the Net Asset Value attributable to Class F Shares;
- Class G (hedged) – 0.00% per annum of the Net Asset Value attributable to Class G Shares.

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. As detailed above, the Investment Manager shall pay the fees and expenses of any sub-investment manager, any sub-distributor or investment advisor appointed by it out of its own fee.

**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.

**Investing in Other Collective Investment Schemes:**

Investors should note that the Fund may invest in other Regulated Funds (as outlined further in the Section of this Supplement entitled “Investment Objective and Policy” below). As a result, the Fund and indirectly an investor in the Fund may bear subscription and redemption fees, multiple investment management fees that, in aggregate, may exceed the fees that would typically be incurred by an investment with a single fund. In addition, investing in funds, may result in a lack of transparency of information concerning the underlying investments of such funds, which may not generally be available to the Investment Manager.

The maximum weighted average level of management fees of the underlying Regulated Funds into which the Fund will be invested will be 400 basis points.

The underlying Regulated Funds may also charge a performance fee based on the percentage of the increase in the value of the assets of the underlying Regulated Fund. Such performance percentages typically range from between 10% and 20% of the increase in the value of the assets of the underlying Regulated Fund.

**Cross Investment Risk**

The Fund may invest in the other sub-funds of the ICAV in accordance with the requirements of the Central Bank. In such circumstances, the following requirements shall be satisfied: (i) the Fund may only invest in another sub-fund of the ICAV which itself does not hold Shares in any other fund of the ICAV; and (ii) the management fee charged by the Manager (or the Investment Manager where the investment management fee is discharged directly out of the Fund’s assets) in respect of the portion of assets of the Fund which is invested in other sub-funds of the ICAV, whether such management fee is paid by the Fund, indirectly at the level of the receiving sub-fund or a combination of both, shall not exceed the rate of the management fee which is charged by

the Manager in respect of the balance of the assets of the Fund.

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

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

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

**Liquidity Risk:**

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

**Sustainability Risk:**

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

Further, the Manager in conjunction with the Investment Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an "**ESG Event**")) is not relevant for the Fund due to the profile of the underlying investments of the Fund and their broad diversification.

**Taxonomy Regulation:**

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

**Profile of a Typical Investor:**

The Fund is suitable for investors that seek long term capital growth and who have a medium risk profile.

## Investment objective and policy

The investment objective of the Fund is to achieve long term capital growth appreciation.

The investment objective may be achieved primarily through investment in a diversified portfolio of global equity securities, debt and debt-related securities, money market instruments and global currencies, details of which are set out below. The Fund can invest directly or indirectly (through the use of Regulated Funds or derivatives as detailed in the section below entitled “Derivative Trading and Efficient Portfolio Management”) in these asset classes.

The Fund is actively managed (i.e. the Investment Manager has discretion over the composition of the Fund’s portfolio) in reference to the Benchmark. As detailed below in the section entitled “**Investment Strategy**”, the majority of the Fund’s securities will be components of and have similar weightings to the Benchmark. The Investment Manager may use its discretion to invest in securities not included in the Benchmark in order to take advantage of specific investment opportunities. The investment strategy will restrict the extent to which the Fund’s holdings may deviate from the Benchmark. This deviation may be limited. The Fund intends to measure its performance against the Benchmark.

### *Equities and Equity-Related Securities*

The Fund can invest up to 100% of the Net Asset Value in global equities and equity-related securities, which are listed on a Recognised Exchange worldwide. Equity and equity related securities to which the Fund may have exposure, include, but are not limited, to common stock, preference and convertible preference shares, American depositary receipts and global depository receipts, equity linked notes, convertible bonds, warrants (subject to a limit of 5% of Net Asset Value) and rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company).

### *Debt and Debt-Related Securities*

The Fund may invest up to 100% of the Net Asset Value in debt and debt-related securities (comprising fixed or floating rate bonds fixed rate, floating rate and variable rate notes, and debentures), which are issued by governments or corporations, which will have a credit rating or an implied credit rating of “investment grade” at the time of investment or who have a credit rating or an implied credit rating of “investment grade” at the time of investment, by Standard & Poors, Moody’s or Fitch Ratings Limited. The Fund may also invest in excess of 30% of its Net Asset Value in debt and debt-related securities, issued by governments or corporations, which are non-investment grade or which are unrated, with a fixed or floating rate. Such debt and debt-related securities will be listed on a Recognised Exchange worldwide.

### *Regulated Funds and Exchange Traded Funds*

The Fund may invest up to 80% of its Net Asset Value in the units and/or shares of Regulated Funds, including money market funds and ETFs (which are eligible for investment by a UCITS) in accordance with the requirements of the Central Bank.

Regulated Funds may include UCITS authorised in any Member State, retail open-ended investment

funds authorised by the Central Bank, United Kingdom authorised unit trusts, Guernsey Class A Schemes, Jersey Recognised Schemes, Isle of Man Authorised Schemes, regulated open-ended alternative investment funds domiciled in the EU (Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg and the UK) and the US (and in the UK in the event that the UK is no longer in the EU) which fall within the requirements set out in the Central Bank's Guidance "UCITS Acceptable Investment in other Investment Funds" the level of protection of which is equivalent to that provided to unitholders of a UCITS.

The Fund will invest in such Regulated Funds when such investment is consistent with the investment policy of the Fund. Any investment in Regulated Funds which are exchange traded will be listed on a Recognised Exchange.

Underlying securities of the Regulated Funds will consist of global equity securities, equity related securities such as warrants and preferred stocks, investment grade fixed or floating rate bonds issued by corporations and governments, certificates of deposit and short-term money market instruments such as commercial paper treasury bills, quoted on Recognised Exchanges.

#### *Cash / Liquid Assets*

The Fund may also hold cash (including in currencies other than the Base Currency) or ancillary liquid assets (comprising short term money market instruments which will be listed on a Recognised Exchange, bank deposits and cash equivalents) for cash management purposes, as cover for financial derivative instrument exposure, and pending investment of subscription monies or in anticipation of future redemptions. The amount of cash and /or ancillary liquid assets that the Fund will hold will vary depending on the foregoing circumstances set out in this paragraph, however it is possible that up to 100% of the Net Asset Value of the Fund may be held in cash or money market instruments at any time.

Money market instruments, include but are not limited to, fixed or floating 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. Cash equivalents include but are not limited to, certificates of deposit, cash deposits denominated in such currency or currencies as the Investment Manager may determine and short-dated debt instruments.

The Fund may also invest in global currencies directly or through the use of financial derivative instruments, as further set out below. The Fund may be exposed to all currencies both OECD and non-OECD, through both purchases and sales. The Fund may also use currency derivatives to hedge against exchange rate risk. The attention of investors is drawn to the sections in the prospectus entitled "*Risk Factors*", sub-paragraphs, "*Currency Risk*" and "*Derivatives and Techniques and Instruments Risk - Foreign Exchange Transactions*" and the section below entitled "*Derivative Trading and Efficient Portfolio Management*".

**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.**

### *Geographic, Industry and Market Focus*

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

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

### *Recognised Exchanges*

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

### *Long / Short Exposure*

The total net long positions will not exceed 100% of the Net Asset Value of the Fund.

Short positions may be taken in respect of equity and debt securities only through the use of financial derivative instruments (as further set out below under "Derivative Trading and Efficient Portfolio Management). Short positions will only be taken for efficient portfolio management purposes. Short positions will not exceed 30% of the net asset value of the Fund; however, no net short positions will be taken.

The volatility of the Fund is expected to be moderate to high.

### **Investment Strategy**

The Fund is seeking to capture security upside while managing volatility by maintaining a diversified exposure to the asset classes set out above.

The Fund is denominated in US Dollars and it is intended that any currency exposure will be hedged back to US Dollars.

Asset allocation to the various asset classes for this Fund is of a balanced nature with long term capital growth of higher priority than minimising short term volatility. The Fund aims to capture equity upside by having the majority of the capital allocated to equities both directly and indirectly through Regulated Funds or through the use of derivatives (such as futures). A portion of the assets will be in investments which the Investment Manager believes are low risk such as bond and/or money market instruments. The Fund may also hold a portion of the portfolio in debt and debt-related securities and money-market instruments for the purposes of providing collateral in respect of the derivative positions held by the Fund (for example, to support the equity exposures through trading futures). Accordingly, significant amounts may also be held in debt securities.

The allocation to the various asset classes set out above will typically remain fixed at the Benchmark weights provided that the Investment Manager will adjust the Fund's asset allocation around the Benchmark's allocation depending on market conditions – for example to target outperformance of the Benchmark by capitalizing on the perceived mispricing (i.e undervaluation of securities) of assets within the market in the opinion of the Investment Manager. The exposure within the various asset classes will typically be managed on a passive basis. This passive exposure will be gained either using listed ETFs which track specific benchmarks, or the use of index listed futures or options (when warranted).

Over and underweights to the Benchmark are implemented after a top down analysis of the following four broad factors for each asset class as seen below.

**Value:** Evaluation on a top-down basis on whether an asset class is expensive or cheap, and is based on metrics such as credit spreads (for example, the difference in yield between sovereign debt and another debt security with the same maturity but of lesser quality), price-earnings ratio (the ratio for valuing a company that measures its current share price relative to its per-share earnings), price-to-sales ratio (a valuation ratio that compares a company's stock price to its revenues), price-to-book ratio (a financial ratio used to compare a company's current market price to its book value) and relative yields (for example, the yield on a security relative to the yield on a benchmark security).

**Economics:** The Investment Manager uses published macroeconomic data to evaluate whether the economy is growing faster or slower than trend (i.e. the potential economic growth when at full capacity) going forward.

**Liquidity:** The Investment Manager uses published macroeconomic data to evaluate whether monetary conditions, financial conditions and bank funding pressure are supportive for risky assets or not.

**Sentiment:** Evaluation of current market sentiment using an internally constructed sentiment index which consists of a range of variables that reflect the broader market sentiment such as equity market volatility, foreign exchange market volatility and bond market volatility from several global markets as well as emerging market flows and emerging market spreads.

These factors are evaluated as either positive or negative to the relevant asset classes and then aggregated to get a total "score" per asset class and per market. If the score is a sufficiently positive or negative it would motivate the Investment Manager towards over or underweighting the relevant asset class. Generally each factor is evaluated against its own history on a percentile basis to determine highs and lows and if it is an appropriate time to invest. If a factor is in the top or bottom quartile of its history that would then contribute positively or negatively to the total score. When there is low or no conviction towards an asset class, the funds will remain at benchmark weight.

The amount of investment in equity and equity-related securities will be determined by the Investment Manager by assessing the risk adjusted pricing of equities. The risk adjusted pricing is typically determined by the prevailing global macro-economic environment, the valuation of the asset class relative to other asset classes and its own history, liquidity and sentiment in the market.

The Fund will adjust its exposure to risky assets like equities by investing in other asset classes, such as bonds and/or money market instruments in times of uncertainty and economic downturn. This will



make sure that in a negative equity market, the participation on the downside is lower than in a pure equity fund as the exposure to equities will have been lowered. Investing in more conservative investments such as bonds and /or money market instruments will increase when risk adjusted pricing of markets deteriorate and the Fund could be fully invested in such instruments if the Investment Manager is of the view that it is necessary to control volatility and preserve the capital in the Fund. Conversely, when risk adjusted pricing improves the allocation to equity and equity related assets will increase. This process should reduce the volatility in the Net Asset Value of the Fund.

Regulated Funds will be selected on the basis of performance indicators (such as historical returns) and other valuation criteria (including risk-return indicators such as Value at Risk) which the Investment Manager deems appropriate to achieving the investment objective of the Fund. The selection process, therefore, includes identifying Regulated Funds, which the Investment Manager believes to have achieved above-average returns. The Investment Manager may determine that a Regulated Fund has achieved above-average returns by evaluating the particular Regulated Fund through different market cycles. Each Regulated Fund is then subject to monitoring on an ongoing basis. Periodic meetings are held with the fund manager (at least quarterly) and due diligence reviews are completed (at least annually). This includes a review of any changes in senior/key investment management staff, operational changes within the business as well as continuous adherence to stated investment style and processes.

### **Derivative Trading and Efficient Portfolio Management**

The Fund may also use financial derivative instruments for efficient portfolio management purposes including for hedging purposes to reduce equity or other asset class risk in the Fund, subject to the conditions and within the limits from time to time laid down by the Central Bank. The Investment Manager may also make use of adequately covered financial derivative instruments for investment purposes to economically implement the Fund's investment strategy.

The Fund may also use currency derivatives to hedge against exchange rate risk. The attention of investors is drawn to the sections in the Prospectus entitled "*Financial Derivative Instruments*" and "*Risk Factors*", sub-paragraphs, "*Currency Risk*" and "*Derivatives and Techniques and Instruments Risk - Foreign Exchange Transactions*".

The financial derivative instruments used by the Fund will be exchange traded futures, forwards, swaps, and options in equity, bond or currency markets. Financial derivative instruments may be traded on a Recognised Exchange or over-the-counter ("OTC").

- ***Exchange Traded Futures***

The Fund may use exchange traded futures (which specifically include equity futures, equity index futures, interest rate futures and currency futures) for investment purposes to economically implement the Fund's investment strategy and efficient portfolio management purposes, including hedging purposes. For example, the Fund may sell futures on securities, currencies or interest rates to protect against future declines in value of the Fund's investments. The Fund may buy futures on securities, currencies or interest rates to take a position in such assets to achieve the investment objective of the Fund where the Investment Manager believes

that these assets are undervalued and will enhance the Fund returns or where the manager believes the position will reduce the risk in the Fund.

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. One 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 traded on an exchange, 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 investment purposes to economically implement the Fund's investment strategy or for hedging purposes by reducing or eliminating exposure to undesirable assets within the basket of securities that underlies the futures contract.

*Interest Rate Futures:* A futures contract with an underlying of one particular interest rate / bond. Interest rate futures may be used for investment purposes to economically implement the Fund's investment strategy or for hedging purposes by reducing or eliminating exposure to undesirable assets within the basket of securities that underlies the futures contract.

*Currency Futures:* Currency futures specify the price at which a specified currency can be bought or sold at a future date and allow the Fund to hedge against foreign exchange risk.

*Index Futures:* An index future is a futures contract, the underlying of which is a particular financial index (such as the MSCI World Index, the MSCI Emerging Markets Index and the S&P 500). Index futures may be used for investment purposes to economically implement the Fund's investment strategy or 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 or these may be used to manage the Fund's market exposure in a more cost effective and efficient manner as futures are often more liquid and cost effective to trade.

### *Options*

An option contains the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. There are two forms of options: put or call options. Put options are contracts sold for a premium that give to the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Call options are similar contracts sold for a premium that give the buyer the right, but not the obligation, to buy from the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Options may also be cash-settled. Any option entered into by the Fund will be in accordance with the limits prescribed by the law and the use of options will be fully covered at all times. This means that the Fund will at all times hold and be able to deliver the underlying asset if called upon to do so or that the Fund is able to buy the underlying asset when it holds an option to buy.

*Equity Options:* An equity option is a privilege, sold by one party to another, which gives the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed upon price during a certain period of time or on a specific date. Options, can allow the Investment Manager to cost effectively be able to restrict downsides while enjoying the full upside of a volatile stock.

*Bond Options:* A bond option is a privilege, sold by one party to another, which gives the buyer the right, but not the obligation, to buy (call) or sell (put) a bond at an agreed upon price during a certain period of time or on a specific date. Options, can allow the Investment Manager to cost effectively be able to restrict downsides while enjoying the full upside of a volatile bond instrument.

*Currency Options:* The Investment Manager may also hedge against foreign currency risk at portfolio level by purchasing a listed currency put or call option. The option grants the holder the right, but not the obligation, to buy or sell currency at a specified price during a specified period of time.

*Equity Index Options and Options on Equity Index Futures:* Equity index options and options on equity index futures will be used to hedge the equity exposure of the Fund.

#### *Foreign Exchange Transactions (Currency Forwards)*

Currency forwards are an OTC derivative, which the Investment Manager may employ as a means of gaining long or short exposure to a particular currency to mitigate the impact of fluctuations in the relevant exchange rates. However, the Fund may have currency exposure which is reflective of the global markets into which it is investing. A forward currency contract locks in the price at which an index or asset may be purchased or sold on a future date. In forward currency contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward currency contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Currency forwards are negotiated over the counter or on a bilateral basis with counterparties. As with all such transactions the Fund will become subject to both an exchange rate risk in relation to changes in the exchange rate between the original currency and the selected currency of conversion.

#### *Swaps (including Currency Swaps)*

Currency Swaps are contracts where the Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. These contracts allow the Fund to manage its exposures to currencies in which it holds investment and to protect against changes in interest rates and currency exchange rates. For these instruments, the Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

The Investment Manager may also utilise swap agreements with respect to indices to take positions in or protect against changes in securities indices and specific securities prices. Indices may include the broader market indices around the globe, such as the MSCI World Index, MSCI Emerging Markets, Bloomberg Barclays US Treasury 7-10y, Bloomberg Barclays US Treasury 1-3m, and others.

The MSCI World is a market cap weighted stock market index comprising 1,649 stocks from companies throughout the world. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International, and is used as a common benchmark for 'world' or 'global' stock funds intended to represent a broad cross-section of global markets. The index includes a collection of stocks of all the developed markets in the world, as defined by MSCI. The index includes securities from 23 countries but excludes stocks from emerging and frontier economies making it less worldwide than the name suggests.

The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries\*. With 1,138 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The Bloomberg Barclays 7-10y US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint, only bonds with a term of 7 to 10 years are included.

The Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index measures the performance of Treasury securities and is selected by a Market Value process. The index only bonds with a term of 7 to 10 years are included.

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

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

#### 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.

### **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.

The Fund will not invest in Regulated Funds, including exchange traded funds, which are capable of obtaining leveraged exposure to underlying assets.

## **Hedged Share Classes**

A Class designated in a currency other than the Base Currency of the Fund may 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".

Investors should note that it is intended to hedge Class D Shares, Class F Shares and the Class G Shares.

## **Borrowings**

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

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

## **Offer**

Class A and E Shares will continue to be available until 5 p.m. on 7th May, 2020 (at the Initial **Offer Period**) at the initial issue price of US\$10 (the "**Initial Price**") respectively, and subject to acceptance of applications for Shares by the ICAV, will be issued for the first time on the first Business Day after expiry of the relevant Initial Offer Period. The Initial Offer Period for each Class may be extended or shortened by the Directors and/or the Manager in accordance with the requirements of the Central Bank.

The initial offer period for Class B, Class C, Class D, Class F and Class G Shares has now closed and Shares in these Classes will be available on each Dealing Day. Applications for Shares in the Fund must be received before the Dealing Deadline. Confirmed cleared funds must be received on the relevant Dealing Day. All such subscriptions will be dealt with on a forward pricing basis i.e. by reference to the Subscription Price for Shares calculated as at the Valuation Point on the relevant Dealing Day. Any applications therefore received after the Valuation Point on the relevant Dealing Day, or cleared funds not received on the relevant Dealing Day, will be held over until the next Dealing Day.

## **Subscription Price**

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.

#### **Redemption Price**

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.

#### **Distribution Policy**

It is not currently intended to make distributions to the Shareholders. In the event that the Directors determine to declare dividends, the Supplement will be updated accordingly and all Shareholders will be notified in advance.