

**Supplement dated 13<sup>th</sup> July, 2022  
to the Prospectus for Prescient Global Funds ICAV**

**SYGNIA CHINA NEW ECONOMY GLOBAL EQUITY FUND**

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

**This Supplement forms part of and should be read in conjunction with the Prospectus, dated 13th November, 2019 as amended (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 (“FDI”) for efficient portfolio management purposes. In relation to the expected effect of transactions in financial derivative instruments, please see the section below entitled “Derivative Trading and Efficient Portfolio Management” and the section of the Prospectus entitled “Derivative and Techniques and Instruments Risk”.**

Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

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

**Interpretation:**

The expressions below shall have the following meanings:

**“Benchmark”** Means the Shanghai Stock Exchange Composite Index (SHCOMP).

The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

As at the date of this Supplement, the administrator of the Index, namely the China Securities Index Company, is availing of the transitional arrangements afforded under Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”) and, accordingly, does not appear on the

register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

As required under the Benchmark Regulations, the Manager has put in place appropriate contingency arrangements setting out the actions which will be taken in the event that a benchmark which is used by the Fund which is subject to the Benchmark Regulations materially changes or ceases to be provided. A copy of the Manager's policy on cessation or material change to a benchmark is available upon request from the Manager.

**“Business Day”**

Means any day (except Saturday or Sunday) on which banks in Ireland are 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 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 10:00am (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.

**“Valuation Point”**

Means 5.00pm (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 Classes:**

Class:	Currency:
Class A	USD
Class B	USD
Class C	USD

Class B Shares are available only for investment funds and investors managed on a discretionary basis by the Investment Manager.

Class C Shares are available only for investment by Sygnia Life Limited, employees of Sygnia Life Limited and/or any affiliate of Sygnia Life Limited. Sygnia Life Limited is a licenced insurer in terms of the Insurance Act, 2017 registered with the Prudential Authority of South Africa. The Directors or the Manager shall determine, in their discretion, an investor's eligibility to subscribe for

Class C Shares. The Directors or the Manager have the right at their discretion to waive this restriction at any time.

**Base Currency:** Dollar (USD).

**Minimum Subscription and Minimum Holding:** USD 2,500 in respect of Classes A, B and C (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.

**Minimum Subsequent Investment:** USD 2,500 in respect of Classes A, B and C (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 Manager and Distributor:** Sygnia Asset Management (Pty) Ltd.

The Investment Manager and Distributor of the Fund is Sygnia Asset Management (Pty) Ltd. The address of the Investment Manager is 7<sup>th</sup> Floor, The Foundry, Cardiff Street, Green Point, Cape Town South Africa. The Manager has appointed Sygnia Asset Management (Pty) Ltd as the 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 Supplement, subject always to the supervision and direction of the Manager.

The Investment Manager was established in South Africa on 23 April 2003 under the Companies and Intellectual Property Commission and is regulated 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 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. 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 Investment Management and Distribution Agreement dated 9 November 2021 between the ICAV, the Manager and the Investment Manager, as amended and as may be further amended from time to time, 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 ICAV shall indemnify and hold harmless, out of the assets of the Fund, the Investment Manager against all or any losses, liabilities, actions, proceedings, claims, costs and expenses which may be asserted against the Investment Manager save where such losses, liabilities, actions, proceedings, claims, costs and expenses arise due to the negligence, fraud, bad faith, wilful default or recklessness of the Investment Manager or breach of the Investment Management and Distribution Agreement by the Investment Manager. 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".

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 USD 30,000 and will be borne by the Fund and will be amortised over a period of up to 5 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 fee of (i) USD \$7,500 (the "**Fixed Component**") in respect of the preparation of the financial statements relating to the Fund plus (ii) the annual management fees as detailed in the table below, accrued and calculated at each Valuation Point (the "**Variable Component**").

The total annual management fee of the Variable Component, shall be subject to a minimum monthly fee of USD \$8,500 plus VAT, if any. The Fixed Component and the Variable Component of the management fee shall be payable monthly in arrears.

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

The Variable Component of the Manager's annual management fee shall be calculated on the following basis

<b>Net Asset Value</b>	<b>Annual Management Fee Rate</b>
From USD 0 to USD 100 million*	0.126% of the NAV of the Fund
From USD 100 million to USD 250 million*	0.116% of the NAV of the Fund
From USD 250 million to USD 500 million*	0.106% of the NAV of the Fund
From and above USD 500 million**	0.074% of the NAV of the Fund

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

\*\*Only the Net Asset Value above the stated amount will be subject to the indicated fee rate.

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

**Depository Fees:**

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

**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 – 0.84% per annum of the Net Asset Value attributable to Class A Shares;
- Class B – 0.64% per annum of the Net Asset Value attributable to Class B Shares; and
- Class C – 0.00% per annum of the Net Asset Value attributable to Class C 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.

**Performance Fees:**

In respect of Class A Shares (the "**Relevant Share Class**"), the Investment Manager is entitled to receive a Performance Fee payable out of the assets of the Fund attributable to the Relevant Share Class.

The Performance Fee shall be 20% of the difference between (i) the daily cumulative percentage movement of the Net Asset Value per Share of the Relevant Share Class (after deduction of all other fees and expenses); and (ii) the daily cumulative performance of the Benchmark. The performance period shall be the period ending on 31 December of each year (the "**Performance Period**"). The first Performance Period shall commence on the date on which the Relevant Share Class is issued at the close of the Initial Offer Period (the "**Inception Date**") and end on the following 31 December in a year which is at least twelve months subsequent to the Inception Date (the "**First Performance Period**").

The Performance Fee will be capped at a maximum percentage of 2.30% of the NAV of the Fund ("**Performance Fee Cap**") where the Sub-Fund has been in existence for 365 days or more. In the case of the First Performance Period of the Relevant Share Class, the Performance Fee Cap will be pro-rated based on the number of days since inception. The Fund will accrue on a daily basis a maximum of the pro-rated Performance Fee Cap based on the numbers of days since the beginning of the First Performance Period of the Relevant Share Class i.e. if the First Performance Period in respect of the Relevant Share Class is 385 days, on day 1 the maximum accrual will be 1/385th of 2.30%.

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

The past performance of the Fund against the Benchmark can be found at [www.sygnia.co.za](http://www.sygnia.co.za).

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

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

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

**Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Share. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.**

**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.**

### *Payment of the Performance Fee*

The Performance Fee is payable to the Investment Manager annually in arrears within 30 calendar days of 31 December of each year or such other timeframe as may be agreed from time to time. For the avoidance of doubt, the calculation of the Performance Fee does not crystallise more than once per year. 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.

<b>Worked Example of Performance Fee</b>										
<b><u>Performance Fee Example: Based on outperformance of a Benchmark</u></b>										
Relevant Date	Gross NAV per Share	Benchmark Value	Share Class Return	Benchmark Return	Geometric Difference Share Class vs Benchmark Return	Incentive Fee Rate	Number of Shares	Performance Fee Cap	Day Count	Incentive Fee Accrued

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%	20%	10,000	2.30%	1 of 365	-
Valuation Point (T1)	\$104.00	103.00	4.00%	3.00%	0.97%	20%	10,000	2.30%	2 of 365	\$ 131.07
Valuation Point (T2)	\$101.00	102.00	1.00%	2.00%	-0.98%	20%	10,000	2.30%	3 of 365	-

**Outperformance vs Benchmark**

Calculation Day (T3) - Positive Performance Scenario	\$101.40	100.50	1.40%	0.50%	0.90%	20%	10,000	2.30%	4 of 365	\$ 255.58
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Calculation Day (T3) - Negative Performance Scenario	\$99.00	95.00	-1.00%	-5.00%	4.21%	20%	10,000	2.30%	4 of 365	\$ 249.53
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**Underperformance vs Benchmark**

Calculation Day (T3) - Positive Performance Scenario	\$101.40	104.00	1.40%	4.00%	-2.50%	20%	10,000	2.30%	4 of 365	-
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Calculation Day (T3) - Negative Performance Scenario	\$99.00	100.00	-1.00%	0.00%	-1.00%	20%	10,000	2.30%	4 of 365	-
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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;

On T1 (day 2), the Share price has risen by 4% since inception from \$100 to \$104. For the same period, the Benchmark has risen by 3% from \$100 to \$103;

This gives rise to a 0.97% outperformance –  $(1+4\%)/(1+3\%)^{**} - 1 = 0.9708738\%$ ;

The number of Shares invested are 10,000 so the Net Assets of the Share Class is \$1,040,000 (10,000 \* 104);

The performance fee rate is 20% on outperformance of the Benchmark;

The performance fee calculation is then Net Assets \* Outperformance \* performance fee rate - \$1,040,000 \* 0.9708738% \* 20% = \$2,019.42.

The Fund has a performance cap which releases the cap over the calculation period i.e. 365 days;

As this is T1 (day 2), the accrual is limited to 2/365<sup>th</sup>'s of the cap. The cap is 2.30%;

As a result, the maximum that can be charged to the Fund on T1 (day 2) is 2/365<sup>th</sup>'s of 2.30% of the Net Assets –  $(\$1,040,000 * 2.30\% / 365 * 2 = \$131.07)$ ;

As a result, the charge to the Fund on day 2 is \$131.07 as the performance fee excluding the cap of \$1,514.56 exceeds the cap of \$131.07.

*\*\*Note the formula in the third paragraph under T1 is the choice of using “geometric difference” between the Fund performance and the Benchmark performance. If the arithmetic difference was used, the outperformance calculation would be Fund Performance – Benchmark performance – (4% - 3% = 1%). The result would be a higher performance fee amount of \$1,560.00 (but the cap would still be \$131.07 so the accrued amount in the Fund would remain unchanged).*

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 20%, 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.

**Risk Factors:** The attention of investors is drawn to the section headed “Risk Factors” in the Prospectus, in particular, the risks relating to “Common Stocks”, “Market Risk”, “Concentration Risk” and “Currency Risk”.

### **Profile of a Typical**

**Investor:** The Fund is suitable for retail and professional investors with a high risk profile seeking to achieve investment objectives which align with those of the Fund in the context of the investor’s overall portfolio.

### **Investment Objective and Policy**

The investment objective of the Fund is to achieve a net total return (both income and capital growth) over a rolling period of 5 years in excess of the Benchmark, with a similar risk profile to the Benchmark. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period.

The Fund aims to achieve its objective by investing in China’s new economic sectors, as determined by the Investment Manager and reviewed on a six-monthly basis. Examples of such sectors (which are subject to change) include consumer-facing services and products (including consumer discretionary and consumer staples), communication services, information technology, healthcare and insurance.

The Fund will gain exposure to companies in China’s new economic sectors primarily through direct investment in securities of such companies but may also invest indirectly in such securities through investment via collective investment schemes (subject to the limits set out below).

The Fund may also use financial derivative instruments for efficient portfolio management purposes, as set out under the section entitled “Derivative Trading and Efficient Portfolio Management”.

#### *Equities and Equity-Related Securities*

The Fund may invest up to 100% of the Net Asset Value of the Fund in equities and equity-related securities, including, but not limited to, preferred stocks and warrants rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts (American Depositary Receipts and Global Depositary Receipts) for such securities. The Fund may hold up to 15% of the Net Asset Value of the Fund in warrants.

The equities and equity-related securities invested in by the Fund will be listed or traded on Recognised Exchanges worldwide.

#### *Collective Investment Schemes*

Up to 10% of the Net Asset Value of the Fund may be invested, in aggregate, in one or more open-ended collective investment schemes (including exchange traded funds) in line with the Central Bank Guidance ‘UCITS Acceptable Investment in other Investment Funds’. The Fund may invest in other sub-funds of the

ICAV and /or collective investment schemes managed by the Manager / Investment Manager or any other company with which the Manager or Investment Manager is linked by common management or control or by a substantial direct or indirect holding. The Fund will invest in such schemes primarily when such investment is consistent with the Fund's primary investment focus.

#### *Cash / Liquid Asset*

The Fund may also hold cash or ancillary liquid assets (including money market instruments and cash deposits) pending investment or reinvestment.

Such money market instruments include, but are not limited to, cash deposits, fixed or floating rate notes (i.e. short-term instruments issued under a legally binding facility (a form of revolving credit), which are underwritten by a bank or banks) 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 and shall be rated investment grade (BBB- or greater) (or equivalent) by Standard & Poor's, Moody's or Fitch.

In addition, the Fund may hold cash due to recent subscriptions pending investment 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 10% of the Net Asset Value of the Fund may be held in money market instruments at any time.

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

#### *Recognised Exchanges*

The Fund may invest up to 10% of the Net Asset Value in securities which are not listed or traded on a Recognised Exchange. Subject to the investment restrictions set out in Appendix I of the Prospectus, the Fund may invest up to 10% of the Net Asset Value in recently issued securities which will be admitted to official listing on a Recognised Exchange within a year.

#### *Geographic, Industry and Market Focus*

Investments will have a focus on the China new economy sectors.

#### *Performance Benchmark*

The Fund is considered to be actively managed in reference to the Benchmark by virtue of the fact that it seeks to out-perform the Benchmark and it uses the Benchmark for the purpose of the calculation of the performance fee. The Benchmark is not used to define the portfolio composition of the Fund. The Investment Manager is under no obligation to hold all constituent companies of the Benchmark or hold any company in the same weighting as it is held by the Benchmark and the Fund can hold securities of other companies outside of the Benchmark, which achieve the Fund's objective.

#### **Investment Strategy**

The Fund seeks to gain exposure to China's new economic sectors by selecting securities of companies, which have exposure to either consumer-facing services and products (including consumer discretionary and consumer staples), communication services, information technology, healthcare and insurance ("**China New**

**Economies Themes**”). The themes are identified based on (i) macroeconomic trends (such as the shift from manufacturing-led growth to services and consumption-led growth); (ii) technological trends identified by China’s strategic emerging industries (such as next generation information technology, biotechnology, high-end equipment manufacturing, new material, new energy, intelligent and new energy vehicles, energy conservation and environmental protection, and the digital creative industry); and (iii) express strategies and targets of the Chinese Government identified by official publications and speeches relating to policy and regulation (for example, the 14th Five-Year Plan (2021-2025), which is a key document outlining the Government’s strategic intentions and priorities for national economic and social development and thereby guides market participants in their activities. These themes will be reviewed on a six-monthly basis.

The universe of stocks underpinning the Fund is based on mapping the Fund’s China New Economies Themes onto various sub-industries of major sectors such as communication services and then investing in those sub-industries that best match the China New Economies Themes.

The Investment Manager will use industry classification / industry taxonomy tools such as Global Industry Classification Standard (GICS) and The Refinitiv® Business Classification (TRBC). GICS is an industry taxonomy developed in 1999 by MSCI and Standard & Poor’s for use by the global financial community. As of the date hereof, the GICS structure consists of 11 sectors, 24 industry groups, 69 industries and 158 sub-industries into which S&P has categorized all major public companies. TRBC is a market-based classification system emphasising the usage of a product rather than the materials used in the manufacturing process such that grouping bring together companies with similar market characteristics. TRBC has a five-level hierarchical structure with a total of 898 business activities mapped.

Universe stock selection is therefore largely a systematic process, as a result of investing in sub-industries mapped to the China New Economies Themes.

Finally, the Investment Manager may adjust the allocation of the single stocks by applying an ESG risk integration approach to investment decisions, as further set out under “*Environmental, Social and Governance Factors*” below.

#### *Environmental, Social and Governance Factors*

The Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector (“**SFDR**”) or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR. Accordingly, the Fund is not expected to pursue an investment approach that promotes environmental or social characteristics or to have sustainable investment as its objective.

#### *ESG risk integration approach*

Taking into account that the Fund has a long-term investment time horizon, the Investment Manager believes that incorporating Environmental, Social and/or Governance (“**ESG**”) considerations, including the management of sustainability risk, in its investment decision making processes is sensible, constructive and will ultimately contribute to delivering superior long-term investment performance. Accordingly, in line with Article 6 of SFDR, the management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event or condition. The Investment Manager has carried out an assessment of the likely impacts of sustainability risks on the returns of the Fund and has determined that they are likely to have a low impact on the value of the Fund’s investments due to the mitigating nature of the Fund’s investment strategy, as set out

under “Investment Strategy” above, which is to gain exposure to China’s new economic sectors (which sectors are considered by the Investment Manager to have low sustainability risks).

### *Principal Adverse Impact Reporting*

The Investment Manager does not currently consider the principal adverse impacts of its investment decisions on sustainability factors (which are defined in Article 2 of SFDR as “environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters”). The Investment Manager has opted against doing so, primarily as the regulatory technical standards supplementing SFDR which will set out the content, methodology and information required in the principal adverse sustainability impact (“**PASI**”) statement remain in draft form and have been delayed. The Investment Manager will decide whether to apply the principal adverse impacts of investment decisions on sustainability factors prior to the effective date of the regulatory technical standards on 1 January 2023.

### *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 Article 5 and Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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

The Fund may use financial derivative instruments for efficient portfolio management purposes (including hedging purposes), subject to the conditions and within the limits laid down by the Central Bank.

The financial derivative instruments used by the Fund will be futures, options and forwards in equity securities, equity indices and currency markets, as contemplated by the investment policy set out above. Financial derivative instruments may be traded on a Recognised Exchange or over-the-counter (“**OTC**”). The Fund will not invest directly or indirectly (through derivatives) in physical commodities.

### *Futures*

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

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

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

*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. Index futures may be used for efficient portfolio management purposes; for example, if the Investment Manager wants to hedge risk over a certain period of time, it may use an index future to do so.

### *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 security (such as options on ETFs) 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.

*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 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.

### Counterparties to Over-The-Counter (OTC) Derivatives

Counterparties to OTC derivatives 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 derivatives 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 derivatives 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.**

## **Securities Financing Transactions**

The Fund will not enter into securities financing transaction arrangements.

## **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 derivatives which may be used are set out in the derivatives 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 derivative not included in the risk management process will not be used until such time as a revised submission has been submitted to the Central Bank. Appendix III gives further description of the types of derivatives 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 OTC 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 OTC derivative instruments, in accordance with the requirements of the Central Bank UCITS Regulations.

## **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**

Shares in each Class will be available from 9.00 a.m. on the first Business Day subsequent to the date of this Supplement until 5 p.m. on 13<sup>th</sup> January, 2023 (the "**Initial Offer Period**") at the initial issue price of USD 100

(the “**Initial Price**”), and subject to acceptance of applications for Shares in a Class by the ICAV, will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period. The Initial Offer Period in respect of each Class may be extended or shortened by the Directors and/or the Manager in accordance with the requirements of the Central Bank.

Subsequent to the initial issue of Shares in a Class, applications for Shares in that Class must be received before the Dealing Deadline on the relevant Dealing Day. 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.

No subscription fee will be charged.

### **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.

No redemption fee will be charged.

Redemption proceeds in respect of Shares will typically be paid within five (5) Business Days of the relevant Dealing Day and in any event will be paid within ten (10) Business Days of the Dealing Deadline for the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Manager.

### **Distribution Policy**

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

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

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

### **Marketing**

It is intended that the Fund will be marketed in South Africa (subject to being approved by the Financial Sector Conduct Authority in South Africa for the purposes of marketing in South Africa), the United Kingdom and within other European Union countries, in accordance with any local law requirements.