

**BENBRIDGE ICAV - GLOBAL EMERGING MARKETS EQUITY FUND**

**An open-ended sub-fund of**

**BennBridge ICAV**

**Supplement to the Prospectus**

This Supplement contains specific information in relation to the BennBridge ICAV - Global Emerging Markets Equity Fund (the **Fund**), a sub-fund of the BennBridge ICAV (the **ICAV**) an umbrella fund with segregated liability between sub-funds governed by the laws of Ireland and an open-ended investment fund authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) by the Central Bank of Ireland (the **Central Bank**).

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 1 September 2023.**

**An investment in the Fund should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

The Directors of the ICAV, whose names appear under the section entitled **Directors of the ICAV** in the Prospectus, 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.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Dated: 15 February 2024**

## TABLE OF CONTENTS

1	INVESTMENT OBJECTIVE .....	1
2	INVESTMENT POLICY .....	1
3	PROFILE OF A TYPICAL INVESTOR.....	10
4	RISK MANAGEMENT PROCESS.....	10
5	USE OF FINANCIAL DERIVATIVE INSTRUMENTS .....	10
6	SERVICES AGREEMENT WITH THE INVESTMENT MANAGER .....	11
7	INVESTMENT RESTRICTIONS .....	11
8	RISK FACTORS .....	12
9	BORROWING .....	14
10	DIVIDEND POLICY .....	14
11	KEY INFORMATION FOR SUBSCRIBING AND REDEEMING.....	15
12	HOW TO SUBSCRIBE FOR SHARES .....	17
13	HOW TO REDEEM SHARES .....	17
14	FEES AND EXPENSES .....	18
15	MISCELLANEOUS.....	18
	APPENDIX 1.....	19

## 1 INVESTMENT OBJECTIVE

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

## 2 INVESTMENT POLICY

### 2.1 Fund Overview

The Fund is actively managed and will seek to achieve its investment objective through investments in equities and/or equity related securities issued by (or the value of which is linked directly to equity securities issued by) primarily large and mid-capitalisation companies across sectors with emerging market exposure.

The Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the SFDR) as further detailed in section 2.6.

The Fund may invest up to 10% of its Net Asset Value in equity securities or equity related securities of Russian companies which are listed or traded on the Moscow exchange, or listed and/or traded on recognised exchanges outside of Russia. The Fund may also have exposure of up to 25% of its Net Asset Value to China A Shares through Stock Connect, as more particularly detailed below.

The specific asset classes the Fund shall invest in are detailed below.

Permitted investments of the Fund will be listed and/or traded on stock exchanges and regulated markets as set out in Appendix 1 of the Prospectus (except for such other permitted investments of the Fund pursuant to the Regulations, e.g. unlisted securities).

**As the Fund may invest more than 20% of its Net Asset Value in emerging markets an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The value of the Shares is not insured or guaranteed by the Investment Manager or anyone else and the principal invested in the Fund is capable of fluctuation.**

**The Net Asset Value of the Fund is expected to have a high volatility from time to time.**

### 2.2 Asset Classes

Investments of the Fund will primarily be common and preference shares and equity-related securities such as depository receipts (including American Depositary Receipts (**ADRs**), Global Depositary Receipts (**GDRs**), European Depositary Receipts (**EDRs**), Brazilian Depositary Receipts (**BDRs**) and Non-Voting Depositary Receipts (**NVDRs**)).

The Fund may also acquire warrants, rights on equities, convertible preference shares and convertible bonds (issued by corporates which may be rated or unrated and may offer fixed or variable interest rates) indirectly through corporate actions of equity holdings. The Fund shall not hold convertible contingency bonds.

The Fund may also invest in and/or acquire (through corporate actions of equity holdings) recently issued common and/or preference shares (including Rule 144A securities), provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange from any Regulated Market throughout the world and such admission is to be secured within 12 months of the issue in accordance with the Regulations. Such initial placing offerings (**IPOs**) of equity securities shall be by predominantly non-US companies. Participation in these events would be occasional if not an infrequent occurrence, and not significant i.e. exposure of the Fund to such recently issued common and/or preference shares will typically be less than 20% of the Net Asset Value of the Fund.

The Fund may invest indirectly in real property assets exposed to emerging markets. As the Fund may not hold real property assets directly, such exposure will be achieved by investing in transferable securities issued by listed Real Estate Investment Trusts (**REITs**) and units or shares in collective investment schemes which provide exposure to property, which in each case qualify as transferable securities pursuant to the Regulations and/or Central Bank UCITS Regulations, as applicable. A REIT is a corporation or trust that uses the pooled capital of many investors to purchase and manage property. REITs are traded on major exchanges similar to equities and are therefore classed as transferable securities as they meet the requirements of liquidity, availability of price, availability of accurate and comprehensive information and transferability. The Fund may seek exposure to REITs up to 5% of the Fund's Net Asset Value.

The portfolio of emerging market equities may also include indirect investment via collective investment schemes, including exchange traded funds (**ETFs**) (which qualify as collective investment schemes under the Regulations), which are regulated as UCITS or alternative investment funds (**AIFs**) and which are eligible for investment by the Fund in accordance with the Central Bank's guidance on "UCITS acceptable investment in other investment Funds" subject to the restriction set out in this Supplement that limits the Fund's overall investment in collective investment schemes to 10% of the Fund's Net Asset Value.

Under Stock Connect, overseas investors (including the Fund) may be allowed, subject to the requirements of the Central Bank and any rules and regulations issued/amended from time to time, to seek exposure to stocks issued by companies listed on exchanges in the People's Republic of China (**PRC**) by directly trading certain eligible A-shares through the so-called Northbound Trading Links. Stock Connect currently comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (**HKEx**), China Securities Depository and Clearing Corporation Limited (**ChinaClear**) and Shanghai Stock Exchange (**SSE**), with an aim to achieve mutual stock market access between Shanghai and Hong Kong. Similarly, the Shenzhen-Hong Kong Stock Connect is a securities trading clearing links program developed by HKEx, ChinaClear and Shenzhen Stock Exchange (**SZSE**), with an aim to achieve mutual stock market access between Shenzhen and Hong Kong.

Further information about Stock Connect is available online at the website: [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm)

The Fund may also, for ancillary liquidity purposes, hold and invest in cash, bank deposits, money market funds and listed or traded short term paper including treasury bills (issued or guaranteed by any government which are rated and may offer fixed or variable interest rates). Notwithstanding the foregoing, the Fund reserves the right to invest without limitation in short-term debt instruments or to hold a substantial amount of uninvested cash for temporary, defensive purposes, during, for example, periods of extreme market stress.

### 2.3 Investment Process

The Fund will seek to create a concentrated portfolio of 30 or more reasonably valued, high-quality companies with emerging market exposure.

Companies that may be considered to have emerging market exposure are companies that have their registered office in emerging market countries, companies with their registered office in another country but which carry out their business activities in emerging market countries, companies that hold participations (being subsidiaries or investments) in emerging market countries or companies whose business is otherwise exposed to such emerging market countries, as determined by the Investment Manager. This may include shares of companies that are listed on exchanges in developed markets.

Emerging market countries are those countries that are: (i) characterised as developing or emerging by any of the World Bank, the United Nations, the International Finance Corporation, or the European Bank for Reconstruction and Development, and which may or may not be included in an emerging markets index by a recognised index provider; or (ii) countries with similar developing or emerging characteristics as countries

classified as emerging market countries pursuant to sub paragraph (i) above, in each case determined by the Investment Manager.

A proprietary bottom-up methodology for stock selection is used focusing on individual companies rather than on the broader market. As bottom-up investors, the Investment Manager views the emerging markets opportunity set from a different perspective than a more traditional index aware strategy. The investment universe covers over 2,600 stocks. The Investment Manager's research process helps to narrow this universe down to an investable watch list of approximately 300-350 emerging market exposed companies, by assessing the quality of companies in certain key areas of importance, including but not limited to, corporate history (assessment of ownership, management and culture), franchise strength (consideration of industry background and competitive position), financial position (assessment of income statement and balance sheet analysis), the future growth opportunity, sustainability positioning, investment risks and valuation analysis.

The investment process from this point follows a three key stage approach.

Firstly, the Investment Manager researches and analyses companies within the broad universe to develop an "opportunity set". This normally involves conducting meetings with the management of the relevant company and research visits in order to identify those who share the Investment Manager's long-term approach and qualitative values. The Investment Manager will also gather relevant financial data, which will be sourced from the company's audited financial statements and from any financial market intelligence platforms that the Investment Manager may utilise, such as Bloomberg and S&P Capital IQ.

The second phase is to conduct quality analysis. The Investment Manager will review the management and controlling shareholders of a company focusing on their governance records, track record of delivering over the long term and their risk tolerances. The Investment Manager will also consider factors in relation to the market in which the company operates and whether significant barriers to entry exist. The Investment Manager will review financial information seeking to identify companies with a conservative attitude to debt and positive cash flow over successive accounting periods. The Investment Manager will identify and assess the sustainability positioning of a company. This involves analysis of each company's environmental and social characteristics and includes consideration of contribution towards climate change and upholding the fundamental principles of human rights. The Investment Manager believes poor sustainable behaviour reflects a lack of alignment between the people controlling the business and minority shareholders and is factored into the valuation and required rate of return of the investment over the long term. These considerations and the Investment Manager's binding criteria for the promotion of environmental and social characteristics are key determinants of whether a company is or remains investible for the Fund.

Finally, after applying the first two stages of the investment process to the companies on the watch list, the Investment Manager will seek to build a concentrated portfolio of 30 or more investments which the Investment Manager believes that, based on a five-year view, a combination of its valuation and growth potential are sufficiently attractive as an investment opportunity. The Fund aims to keep portfolio turnover low but may dispose of its investment in a company if the Investment Manager can no longer justify the company's valuation, or if the Investment Manager's growth expectations for that company have been revised downwards.

## 2.4 Benchmark

The Fund's investment performance will be measured against the MSCI Emerging Markets Index (the **Index**). The Index captures large and mid-cap representation across emerging market countries.

The Fund is actively managed and will not be managed to the Index. In particular, the Index is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The Index has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's

investable assets. Investment of the Fund's assets is not constrained by the composition of the Index and the Investment Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the Index. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the Index.

## 2.5 Sustainability Considerations

The Investment Manager has a fiduciary duty to be a responsible steward of clients' capital. Investment returns and environmental, social and governance (ESG) concerns are viewed as inseparable and form a core part of the investment process.

## 2.6 Disclosure in relation to the Fund's promotion of environmental and/or social characteristics within the meaning of Article 8(1) of SFDR

The Fund promotes environmental and social characteristics, as described further below, however it does not have a sustainable investment objective. The Fund is actively managed, and no index has been designated as a reference benchmark as defined in SFDR. Further information in respect of the Fund's promotion of environmental and social characteristics is set out in the Appendix 1 to this Supplement.

### 2.6.1 Promotion of Environmental Characteristics:

The Fund seeks to promote the environmental characteristic of transition to a low carbon economy by (1) investing in companies that are committed to lowering carbon emissions in order to contribute to the Fund aligning with the target of carbon neutrality by 2050; and (2) excluding companies that derive more than 25% of total revenue directly from the extraction of fossil fuels. Each investee company is measured against this metric by the Investment Manager on a rolling 5-year average.

The Investment Manager considers an investee company's climate-related targets to determine the company's commitment to lowering its carbon emissions and its methods to reduce and remove carbon from the atmosphere. These methods may include, among other things, strategies to improve energy efficiency, transition to renewable energy, optimise supply chains, and incorporate sustainable practices into the investee company's business strategy. The Investment Manager seeks to invest in companies that are transparent about their strategies and processes to achieve their targets and the Investment Manager monitors investee companies' progress on an ongoing basis. Investee companies are also regularly reviewed for change to business mix due to strategic initiatives, M&A or product launches which may have a material effect on the company's carbon footprint.

The Investment Manager monitors investee companies on an ongoing basis relative to the metrics detailed above. This is achieved through independent research and analysis by the Investment Manager, including the use of S&P Business Involvement screening (methodology outlined in section 2.6.2) and data (incorporating future estimates) from third party providers.

Where an investee company is not, in the assessment of the Investment Manager, on track to reduce its carbon emissions, in absolute and/or intensity per its target, and the engagement process has been deemed unsuccessful over a 5-year period at most, the Investment Manager will divest.

Sustainability indicators used to measure the attainment of the environmental characteristic promoted by the Fund are derived from the Principal Adverse Impact (**PAI**) indicators outlined at Table 1 of Annex 1 of the SFDR Regulatory Technical Standards and are as follows:

- Total greenhouse gas emissions scope 1 & 2, 3;
- Relative carbon footprint; and
- Weighted Average Carbon intensity.

The aggregate portfolio is assessed quarterly by the Investment Manager using ISS (or equivalent) Climate Impact Assessment data which incorporates Scope 1 & 2 and 3 emissions exposure (tCO<sub>2</sub>e), relative carbon footprint (tCO<sub>2</sub>e/invested), carbon intensity (tCO<sub>2</sub>e/revenue) and weighted average carbon intensity.

This includes assessing the top 10 most emissions intense contributors in the portfolio (tCO<sub>2</sub>e Scope 1 & 2 / revenue millions) against the peer group average for each; and the Fund's climate scenario alignment analysis, in order to monitor and manage progress in aligning with the target of carbon neutrality by 2050.

These assessments, in addition to queries arising from the quarterly consideration of all identified PAI data across the underlying portfolio, are reviewed by the Investment Manager's independent Investment Risk Committee. They also support prioritisation for engagement and proxy voting to promote investee companies' progress towards their climate related targets and reduction of carbon emissions on an ongoing basis. Action taken as a result is reported annually in the mandatory periodic disclosure.

#### 2.6.2 **Promotion of Social Characteristics:**

The Fund seeks to promote social characteristics through excluding companies that (1) manufacture tobacco; and (2) are involved in the manufacture, distribution and sales of controversial weapons such as anti-personnel landmines, cluster munitions, chemical and biological weapons, nuclear weapons and civil weapons.

Sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are as follows:

- S&P Global Business Involvement screen (or equivalent); and
- Ad hoc independent Investment Manager analysis (0% of revenues).

S&P Global Business Involvement screening allows the Investment Manager to measure a company's direct and indirect exposures to specific products and services (for example, tobacco products), quantified as percentages of total company revenue and total company ownership. It also allows the Investment Manager to generate a list based on the percentage revenue a company derives from pre-determined business activities for exclusion. It allows precise calculation of the specific level of involvement for each company including differentiation between activities such as production, distribution and operation. Overall company coverage is comprehensive across all major equity indices and analysis is refreshed on an annual basis. The screen for companies involved in the manufacture, distribution and sales of controversial weapons is also addressed through analysis of the PAI indicator of the same nature.

Where there is an absence of data from the S&P Global Business Involvement screen an independent check will be performed by the Investment Manager's individual analyst responsible for the assessment of the company (whether it is being considered for the watchlist or is an existing holding). Assessment is undertaken using all commercially reasonable efforts and may be via further third-party information and engagement with the company. There is zero tolerance (0% of revenues allowable) for the exclusion criteria.

Given the binding nature of this promoted social characteristic, this process aims to avoid investment in companies involved in these activities, or retention of investee companies where operations have changed resulting in exposure to excluded activities being added, either organically or through M&A, after initial investment.

### 2.6.3 Sustainability Risk

A **sustainability risk** in the context of the Fund is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

The Investment Manager believes that sustainability is an important factor in determining the quality of a company for potential investment. For a company to operate successfully, the Investment Manager believes the interests of all its stakeholders, including communities, employees, customers, shareholders, governments and the environment are important in generating long term returns.

The Investment Manager integrates the assessment of the likely impacts of sustainability risks on returns into investment decisions. The Investment Manager's assessment of potential sustainability risks and opportunities of the Fund's investments is guided by a review of the company reports of potential investments. This includes the consultation of various sources of publicly available information together with discussions with competitors, suppliers and peers, where applicable. The Investment Manager's research process seeks to clarify a company's attitude to stakeholders and environmental challenges. The Investment Manager does not wish to underestimate how often these types of non-financial risks may become real financial losses, particularly within emerging market economies with immature legal and political systems.

Analysis of sustainability risks forms an integral part of the Investment Manager's approach to investment research and its selection process, as outlined in sections 2.3 and 2.5, which aims to establish whether a company meets the Investment Manager's overall expectation of quality and returns. The Investment Manager aims to strike a balance between the sustainability challenges a company may face and the opportunities for growth and improvement in the future.

With respect to the Fund's promoted environmental characteristic, 'transition to a low carbon economy', the Investment Manager uses an approach based on qualitative and quantitative data, as outlined in section 2.6.7, to understand a company's position on reducing emissions and tackling climate change.

The Investment Manager analyses information disclosed by a company on its Scope 1, 2 and 3 emissions, to gain insight into the source of these, the challenges involved, specific emission reduction strategies or targets in place and any progress achieved. This includes examining the governance of any initiatives and targets, and linkages to compensation and organisational culture.

Principal Adverse Impact (PAI) indicators, as further described in section 2.6.5, are assessed along with any change over time. These are widely available across industries and geographies, fostering consistency in the research process.

Data is sourced from third party providers as well as company publications including annual reports, presentations, specific disclosures such as the Task Force on Climate-Related Financial Disclosures (**TCFD**) and sustainability reports. The Investment Manager may also refer to standards bodies such as the Global Reporting Initiative (**GRI**), the Sustainability Accounting Standards Board (**SASB**) and the Carbon Disclosure Project Worldwide (**CDP**) during the research process.

Where data is lacking or unclear, the Investment Manager will engage with a company to encourage greater disclosure and to better understand its strategy to improve its emissions profile. The Investment Manager will look to constructively challenge failure to show progress in relation to published targets and industry peers through engagement, in accordance with the Investment Manager's engagement procedures outlined at section 2.6.8, with the aim to influence more



positive outcomes. Where unsuccessful in the case of an investee company this will result in divestment from the Fund as detailed in section 2.6.1.

The Investment Manager conducts weekly research and portfolio review meetings where insights are debated. In addition, investee companies are monitored by the independent Investment Risk Committee for quarterly investment risk review meetings where the Investment Manager can be challenged on the sustainability characteristics of the Fund.

The Investment Manager partakes in meetings with companies in which the Investment Manager is considering and/or holding an investment on behalf of the Fund, to discuss potential and ongoing investment opportunities. Preparation for these meetings includes the posing of several key questions focusing on the company's ESG performance, and covers any incidents that the Investment Manager has become aware of. The Investment Manager seeks to engage with the leaders of a company to increase understanding as to their attitude towards their specific sustainability challenges. The Investment Manager looks to identify management teams that continually assess the threats that their business faces including competitive, industry, societal or environmental threats. The Investment Manager has a forward-looking approach and looks at the direction of travel of an investment opportunity over the long-term.

The Investment Manager also engages with investee companies as part of the voting process on matters for approval by a company's shareholders. Where a particular issue arises as part of the voting process, the Investment Manager will typically engage with the company to better understand the rationale if it is not apparent. The Investment Manager seeks not just to vote against, but to discuss the issue in detail where the Investment Manager believes the resolution is potentially not in the interest of minority shareholders and ultimately the Fund.

Engagement may be undertaken directly or in collaboration with other investment institutions. Where engagement is unsuccessful in mitigating or reducing adverse sustainability impacts, the Investment Manager will consider escalation of the issue as per the engagement policy outlined in section 2.6.8. Investment research conducted by the Investment Manager that results in a low sustainability assessment together with a low assessment on other quality factors will negatively impact the Investment Manager's view as to the suitability of a potential company for investment by the Fund. A lower sustainability assessment will reduce the intrinsic valuation of a security, due to an increased required rate of return to offset the higher risks inherent within the business.

The Investment Manager considers a broad range of sustainability risks. These may include (i) environmental risks consisting of climate change and greenhouse gas emissions, unsustainable resource depletion including water, environmental damage, land contamination, pollution, waste, biodiversity loss and deforestation (ii) social risks including human rights and workers' rights, including modern anti-slavery and child labour health and safety, employee relations and diversity, local communities, including indigenous communities and conflict and humanitarian crises (iii) governance risks including board and management experience, diversity and structure, executive remuneration policies, anti-bribery and corruption and shareholder rights and engagement.

The Manager and Investment Manager have assessed the likely impacts of sustainability risks on the returns of the Fund and consider it likely that sustainability risks will not have a material impact on the returns of the Fund, given the investment approach of the Investment Manager. However, to the extent that the Manager and Investment Manager are incorrect in their evaluation of the sustainability risks applicable to a particular investment, or an investment of the Fund experiences an ESG event or condition that was not considered by the Investment Manager, this could negatively impact the returns of the Fund.

#### 2.6.4 **Principal Adverse Impacts**

The Investment Manager has elected to consider at Fund level the Principal Adverse Impacts (**PAIs**) of investment decisions on sustainability factors in the manner contemplated by Article 4(1)(a) of the SFDR. Information on PAIs of investment decisions on sustainability factors will be made available in the periodic reports of the Fund. The Manager does not consider PAIs at the entity level as it has a number of delegate investment managers and has determined that the aggregation of its delegated investment manager PAI reporting (where available) is of no value to its stakeholders due to the vast range of investment strategies and approaches to sustainability risk integration.

The following PAIs are monitored and measured using all commercially reasonable efforts:

#### 2.6.5 **Climate and other environment-related indicators**

- (a) Total greenhouse gas emissions (broken down by scope 1, 2 and 3 carbon emissions - from January 2023);
- (b) Carbon footprint;
- (c) Greenhouse gas emissions intensity;
- (d) Fossil fuel sector exposure;
- (e) Share of non-renewable energy consumption and production;
- (f) Energy consumption intensity per high impact climate sector;
- (g) Activities negatively affecting biodiversity sensitive areas;
- (h) Emissions to water;
- (i) Hazardous waste ratio; and
- (j) Investment in companies without water management policies.

#### 2.6.6 **Social and employee, respect for human rights, anti-corruption and anti-bribery matters**

- (a) Share of companies in violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises and Implementation of fundamental International Labour Organisation Conventions;
- (b) Share of companies without policies or processes to monitor compliance with United Nations Global Compact and OECD Guidelines for Multinational Enterprises;
- (c) Unadjusted gender pay gap;
- (d) Board gender diversity;
- (e) Exposure to controversial weapons (land mines and cluster bombs, chemical and biological weapons); and
- (f) Lack of supplier code of conduct.

The PAIs will be assessed formally at each quarter end and reviewed by the Investment Manager's Investment Risk Committee which monitors all investment related risks for the Fund. This

governance process will inform what, if any, actions are to be taken in relation to the PAIs which will be reported annually.

#### **2.6.7 Policies to identify, prioritise and monitor principal adverse sustainability impacts**

Such policies, including the PAI policy, are reviewed annually. Implementation of the policies is managed by the Investment Manager's Investment Team with oversight by the Investment Manager's Investment Risk Committee.

The Investment Manager supplements their internal investment process with externally sourced data, both in a quantitative and qualitative form. This includes but is not limited to external ESG services such as ISS, RepRisk, Landytech, Bloomberg and S&P Capital IQ. The Investment Manager will also consider appropriate sell-side research on sustainability issues and reports produced by Non-Governmental Organisations. PAI indicator analytics sourced from third parties combined with the Investment Manager's own research is used in the ongoing analysis and to inform the corporate engagement processes and expected outcomes of that process.

Ongoing data quality is analysed at third-party provider review and internally with underlying raw data considered where appropriate. Where data is unavailable then qualitative consideration is given in conjunction with engagement.

Third party sourced information is subject to limitations relating to methodologies and disclosures from investee companies and other entities. Such limitations are mitigated by proprietary research and direct engagement.

#### **2.6.8 Engagement Policy**

Where adverse sustainability impacts are identified, the Investment Manager shall engage with investee companies in accordance with the Investment Manager's engagement policy. Engagement may be undertaken directly or as part of collaborations with other investment institutions. Where engagement is unsuccessful in mitigating or reducing adverse sustainability impacts, the Investment Manager shall consider escalating the issue by:

- (a) Writing to or meeting with the chairperson or lead independent director;
- (b) Voting against directors who, in the opinion of the Investment Manager, are not providing appropriate oversight;
- (c) Wider engagement with other investors;
- (d) Making the Investment Manager's views public; or
- (e) Reducing and/or divesting the holding in the issuer.

#### **2.6.9 Governance Risks**

The Investment Manager considers a broad range of governance risks. These may include but are not limited to (i) board diversity and structure risk (ii) inadequate external or internal audit risk (iii) executive remuneration and alignment risks (iv) related party transaction risks (v) fair tax strategy risks (vi) shareholder rights and engagement risks (vii) bribery and corruption risks (viii) employee safeguards risk.

## 2.7 **Disclosure under Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending the SFDR (the Taxonomy Regulation)**

Under the Taxonomy Regulation, the Fund is required to disclose how and to what extent the Fund is invested in environmentally sustainable economic activities and how those underlying investments contribute to the environmental objectives of climate change mitigation and/or climate change adaptation.

The Manager in conjunction with the Investment Manager consider that the Fund does not presently intend to be invested in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore, for the purpose of the Taxonomy Regulation, the current proportion of environmentally sustainable investments in accordance with the Taxonomy Regulation is 0% of the net assets of the Fund.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities.

## 3 **PROFILE OF A TYPICAL INVESTOR**

The Fund may be suitable for investors seeking a return through capital appreciation over the long-term (at least 6 years) and who are willing to tolerate high risk.

The amount that it is appropriate to invest in the Fund will depend on the personal situation of each investor. To determine this amount, investors should consider their personal assets, the applicable regulations, their current and future financial needs over the recommended investment period and the level of risk they are prepared to accept. Investors are strongly advised to diversify their assets so that they are not exposed solely to the risks of this Fund.

## 4 **RISK MANAGEMENT PROCESS**

The ICAV on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with its investment in FDI (as detailed further below).

The Fund will use the commitment approach to measure global exposure. Therefore, FDIs cannot be used to leverage portfolio exposure and the total exposure of the Fund is limited to 100% of Net Asset Value.

The Fund may use both exchange-traded and over-the-counter FDIs as more specifically described under Section 5 (Use of Financial Derivative Instruments) below.

The ICAV 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 investment.

The Fund will only utilise FDI which have been included in the risk management process report that has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

## 5 **USE OF FINANCIAL DERIVATIVE INSTRUMENTS**

### 5.1 Use of FDIs for EPM

The Fund may use Financial Derivative Instruments (**FDIs**) for purposes of efficient portfolio management (**EPM**) only subject to the investment restrictions as set out in the Prospectus and within the limits laid down by the Central Bank. The Fund will not invest in FDIs for investment purposes, but may acquire certain FDI as outlined further below as a result of corporate action activity on equity holdings.

It is not the current intention of the Fund to engage in securities lending transactions, repurchase agreements, reverse repurchase agreements or total return swaps. In the event that the Investment Manager contemplates entering into such transactions where not previously disclosed to investors, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed and this Supplement will be updated accordingly prior to entering into such transactions.

## 5.2 Specific FDI

### *Forward Contracts*

A forward contract locks in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date.

Forward contracts may be entered into in order to reduce the impact of falls in emerging market currencies on Shareholder returns.

### *Warrants and rights*

An equity warrant (including subscription shares etc.) is a security that entitles the holder to buy the stock of the company that issued the warrant at a specified price at a future date or series of dates. Warrants have similar characteristics to call options, although they will often have longer maturities than are typical in the listed options market. The Fund may also acquire rights because of a rights issue affecting its equity holdings in an issuer's equity. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. Rights and warrants may be acquired by the Fund as part of corporation actions in relation to the Fund's equity and/or equity-related securities. The Fund may retain these warrants and rights in the portfolio and exercise when appropriate or allow them to lapse or dispose of them or indeed exercise them.

## 6 SERVICES AGREEMENT WITH THE INVESTMENT MANAGER

The Manager has appointed BennBridge Ltd as Investment Manager of the ICAV and each of its Funds pursuant to the terms of the Investment Management and Distribution Agreement. The Investment Manager is authorised and regulated by the Financial Conduct Authority in the UK to provide financial services activities, including discretionary portfolio management to collective investment schemes. The Investment Manager has entered into a services agreement with Skerryvore Asset Management LLP (**Skerryvore**) dated 6 December 2019, as amended under which Skerryvore has agreed to assign certain investment professionals to the Investment Manager to perform investment management (including but not limited to making specific investment recommendations, investment selection, investment strategy implementation and investment monitoring) on behalf of the Investment Manager in respect of the Fund in accordance with the Investment Management and Distribution Agreement.

This section should be read in conjunction with the section headed **Investment Manager** in the Prospectus.

## 7 INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading Borrowing, Leverage, Lending Powers and Restrictions in the Prospectus apply to the Fund.

In addition to investment restrictions outlined in the Prospectus, the Fund will not invest more than 10 per cent of its Net Asset Value in units or shares of other collective investment schemes to ensure that it continues to be an eligible investment for other UCITS.

## 8 RISK FACTORS

The general risk factors set out in the **Risk Factors** section of the Prospectus apply to the Fund including without limitation the **Emerging Markets Risk** set out therein.

In addition to the risk factors set out in the Prospectus, the following risk factors are specific to the Fund:

### 8.1 Market Capitalisation Risk

Equity securities of companies whose market capitalisation is in the middle range of listed stock (MidCap companies) may be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors. As a result, the Fund may experience greater volatility both in the value of its investments and in its Net Asset Value per Share than a fund investing in larger capitalisation shares. This may be particularly relevant where positions need to be liquidated to meet redemption requests or other funding requirements.

### 8.2 Depositary Receipts

Depositary receipts including American Depositary Receipts (**ADRs**), Global Depositary Receipts (**GDRs**), European Depositary Receipts (**EDRs**), Brazilian Depositary Receipts (**BDRs**) and Non-Voting Depositary Receipts (**NVDRs**) are certificates issued by a financial institution that represent shares in companies. In certain situations, the Investment Manager may use depositary receipts to provide exposure to shares of such companies which would be eligible for investment by the Fund but where, for example the shares cannot be held directly or where direct access to the shares is restricted or limited by local rules. However, in such cases the Investment Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly, due to the fact depositary receipts do not always perform in line with the underlying security.

In the event of the suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the depositary receipt will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in a depositary receipt, or the characteristics of the depositary receipt do not exactly reflect the underlying security.

### 8.3 Property Risk

The Fund may obtain indirect exposure to real estate securities being securities issued by companies which invest in real estate including REITs, real estate management and property development companies. Real estate securities in which the Fund may be exposed to indirectly may be affected by changes in underlying real estate values, which may have an exaggerated effect to the extent that entities in which the Fund invests may concentrate investments in particular geographic regions or property types. Additionally, rising interest rates may cause investors in real estate securities to demand a higher annual yield from future distributions, which may in turn decrease market prices for the securities. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of the Fund's investments to decline. During periods of declining interest rates, certain mortgage REITs may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by such mortgage REITs. In addition, mortgage REITs may be affected by the ability of borrowers to repay when due the debt extended by the REIT and equity REITs may be affected by the ability of tenants to pay rent.

Certain real estate issuers have relatively small market capitalisations, which may tend to increase the volatility of the market price of securities issued by such issuers. Furthermore, real estate firms are dependent upon specialised management skills, have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. Real estate firms depend generally on their ability to generate cash flow to make distributions to investors.

#### 8.4 Risks associated with Investments in Russia

Specific risk factors are associated with Russian investment, in particular corporate governance and investor protection issues. The laws and regulations in Russia involving securities, corporations, taxation, foreign investment and trade, title to property and securities and transfer of title, all of which may be relevant to the investment policies of the Fund, are relatively new and untested, contain apparent conflicts and are subject to change, occasionally with retroactive effect. The law regarding fiduciary duties of directors and officers and the protection of investors, including foreign shareholders, is in the early stages of development. Entities in Russia may not be accustomed to following corporate governance procedures or may not respect the interests of minority shareholders. Therefore, Shareholders may not be adequately protected under local laws.

#### 8.5 Risks associated with Investment in China A Shares through Stock Connect

Investors in a Fund that may invest in China A shares through Stock Connect should be aware of the following risks associated with an investment through Stock Connect:

8.5.1 Quota limitations risk: Stock Connect is subject to quota limitations on investment, which may restrict the Fund's ability to invest in A-shares through Stock Connect on a timely basis.

8.5.2 Suspension risk: Trading may be suspended if necessary for ensuring an orderly and fair market and managing risks prudently which would adversely affect the Fund's ability to access the PRC market.

8.5.3 Differences in trading day: Stock Connect operates on days when both the relevant PRC market and the Hong Kong market are open for trading and when banks in the relevant PRC market and the Hong Kong market are open on the corresponding settlement days. It is possible that there are occasions when it is a normal trading day for the relevant PRC market but Hong Kong and overseas investors (such as the Fund) cannot carry out any A-shares trading via Stock Connect. As a result, the Fund may be subject to a risk of price fluctuations in A-shares during the time when Stock Connect is not trading.

8.5.4 Clearing, settlement and custody risks: ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. Should the event of a ChinaClear default occur and ChinaClear be declared as a defaulter The Hong Kong Securities Clearing Company Limited (HKSCC) will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

A-shares are issued in scripless form, so there will be no physical certificates of title representing the interests of the Fund in any A-shares. Hong Kong and overseas investors, such as the Fund, who have acquired Stock Connect Securities through Northbound Trading Links should maintain Stock Connect Securities with their sub-custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on The Stock Exchange of Hong Kong Limited (SEHK). Further information on the custody set-up relating to Stock Connect is available upon request at the registered office of the Management Company.

8.5.5 Operational risk: Stock Connect provides a relatively new channel for investors from Hong Kong and overseas, such as the Fund, to access the China stock market directly. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Fund's ability to access the A-share market will be adversely affected.

8.5.6 Nominee arrangements in holding A-shares: HKSCC is the "nominee holder" of the Stock Connect Securities acquired by overseas investors (including the Fund) through Stock Connect. The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of the Stock Connect Securities acquired through Stock Connect in accordance with applicable laws. However, it is still possible that the courts in the PRC may consider that any nominee or custodian as registered holder of Stock Connect Securities would have full ownership thereof, and that even if the concept of beneficial ownership is recognised under PRC law those Stock Connect Securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the Stock Connect Securities in the PRC or elsewhere. Therefore, although the relevant Fund's ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing their rights in A-shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Fund suffers losses resulting from the performance or insolvency of HKSCC.

As a beneficial owner the Fund will not have the right to attend shareholder meetings or appoint proxies to do so on its behalf.

8.5.7 Trading costs: In addition to paying trading fees and stamp duties in connection with A-share trading, the Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock trades which are yet to be determined by the relevant authorities.

8.5.8 Regulatory risk: The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies. Further, new regulations may be promulgated from time to time. The regulations are untested so far and there is no certainty as to how they will be applied. There can be no assurance that Stock Connect will not be abolished. The Fund's ability to invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

## 9 **BORROWING**

In accordance with the general provisions set out in the Prospectus under the heading **Borrowing, Leverage, Lending Powers and Restrictions**, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis.

## 10 **DIVIDEND POLICY**

The Directors may determine in their sole discretion to establish Distributing Share Classes and/or Accumulating Shares in the Fund as further detailed in the **Share Classes** section below.

There will be no dividend distributions in respect of the Accumulating Shares. Accordingly, income and capital gains arising in respect of the Accumulating Shares will be re-invested in the Fund and reflected in the Net Asset Value per Share of the Fund.

Dividends may be declared and income distributed in respect of the Distributing Shares. Distributing Shares may declare a dividend on a semi-annual basis, on the 30 June and 31 December, and will be paid within



two months of these declaration dates. Dividends will be paid in cash in the denominated currency of the relevant Distributing Shares.

If the Directors propose to change the dividend policy of the Fund full details will be provided in an updated Supplement and all Shareholders will be notified in advance.

Investors should refer to their tax advisors in relation to the implications of Accumulating or Distributing Shares and payment of dividends, if any.

This section should be read in conjunction with the **Dividend Policy** section of the Prospectus.

## 11 KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

### 11.1 Share Classes

The available Share Classes of the Fund are set out in the table below.

The Minimum Initial Investment and the Minimum Additional Investment, the Minimum Shareholding (each in the currency unit of the relevant Share Class) of each Share Class is set out below. The Directors of the ICAV, reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion, provided all Shareholders are treated fairly and Shareholders in the same Share Classes are also treated equally.

The Directors of the ICAV may issue Shares of any Class, and create additional Share Classes on such terms as the Directors may from time to time determine and which may be differentiated by different charging structures and fee arrangements or any other provisions determined by the Directors in accordance with the requirements of the Central Bank.

Share Class	Currency	Minimum Initial Investment* and Minimum Additional Investment*	Minimum Shareholding*	Investment Management Fee	Dividend Policy	Currency Hedge Share Class
Class S	GBP EUR CHF USD NOK DKK SEK AUD	5,000 and 1,000	5,000	Up to 0.75%	Accumulating Shares	No
Class F	GBP EUR CHF USD NOK DKK SEK AUD	Nil and Nil	Nil	Up to 0.55%	Accumulating Shares	No

Class Z Institutional**	GBP EUR CHF USD NOK DKK SEK AUD	50,000,000 and Nil	Nil	0.00%	Accumulating Shares	No
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\*or such greater or lesser amounts as the Directors may, in their sole discretion decide.

\*\*Class Z Institutional Shares are available to investors that have a separate agreement with the Investment Manager allowing investment in those Classes.

## 11.2 Dealing information

**Base Currency** means USD.

**Business Day** means a day (other than Saturday or Sunday) on which banks in Dublin and London are open for business.

**Dealing Day** means every Business Day except for the last Business Day before 25 December each year, and any other days as the Directors of the ICAV may with the approval of the Depositary, determine.

**Dealing Deadline** means 11:00 am Irish time on the relevant Dealing Day or such other day or time as the Directors may determine and notify to Shareholders in advance provided it is prior to the relevant Valuation Point.

**Exchange Charge:** Nil.

**Issue Price** means during the Initial Offer Period of the class in question, the Initial Offer Price for the class in question and thereafter, subject as provided for in the Prospectus and this Supplement, the Net Asset Value per Share of the relevant class.

**Initial Offer Period** means, in respect of the Class S Shares, from 9.00am (Irish time) on 16 February 2024 to 5.30pm (Irish time) on 15 August 2024 or such shorter or longer period for each class as the Directors may determine on behalf of the Fund and notify to the Central Bank as required.

**Initial Offer Price:** 100 per Share denominated in the currency of the relevant class.

**Preliminary Charge:** up to 5% of the Net Asset Value per Share of the relevant class.

**Redemption Charge:** Nil.

**Settlement Date** means three Business Days after the relevant Dealing Day in the case of subscriptions. In the case of redemptions, proceeds will usually be paid (by wire transfer to a specified account at the Shareholder's risk and expense) within three Business Days of the Dealing Day and should not exceed ten Business Days after the relevant Dealing Day provided the supporting documentation in relation to money laundering prevention checks and any documentation deemed necessary for regulatory or taxation purposes has been received and the anti-money laundering procedures have been completed.

**Valuation Point** means 12:00 pm Irish time on the relevant Dealing Day or such other time as the Directors may determine from time to time and notify in advance to Shareholders, provided that the Valuation Point shall be after the Dealing Deadline for the relevant Dealing Day.

## 12 HOW TO SUBSCRIBE FOR SHARES

Applications for Shares should be submitted in accordance with the provisions set out in the Prospectus to be received by the Administrator on or prior to the Dealing Deadline.

The Minimum Shareholding (as set out in the table above) must be maintained by each Shareholder in the Fund (subject to the discretion of the Directors) following any partial repurchase, exchange or transfer of Shares.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by wire transfer in cleared funds in the currency denomination of the relevant Shares.

After the applicable Initial Offer Period closes, the subscription price for Shares is calculated by ascertaining the Net Asset Value per Share of the relevant Class referable to the relevant Dealing Day plus any or duties and charges. The Net Asset Value per Share will be determined by means of the method of valuation of assets and liabilities described in the sections of the Prospectus headed **Calculation of Net Asset Value** and **Valuation of Assets**. In order to counter the reduction in value that may occur in the Fund ("dilution"), the Manager may on any Dealing Day when there are net subscriptions apply an Anti-Dilution Adjustment which will be added to the subscription price or included in the Net Asset Value per Share.

## 13 HOW TO REDEEM SHARES

Requests for the sale of Shares should be submitted to the Administrator in accordance with the provisions set out in the Prospectus on or prior to the Dealing Deadline. Requests received on or prior to a Dealing Deadline will normally be dealt with on the relevant Dealing Day.

The Directors or the Administrator may decline to effect a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that Class of Shares of that Fund. Any redemption request having such an effect may be treated by the ICAV as a request to redeem the Shareholder's entire holding of that Class of Shares.

The redemption price per Share is based on the Net Asset Value per Share in the relevant Class referable to the relevant Dealing Day plus any or duties and charges. The Net Asset Value will be determined in accordance with the method of valuation of assets and liabilities described in the section of the Prospectus headed **Calculation of Net Asset Value** and **Valuation of Assets**. In order to counter the reduction in value that may occur in the Fund ("dilution"), the Manager may on any Dealing Day when there are net redemptions apply an Anti-Dilution Adjustment which will be deducted from the redemption price or included in the Net Asset Value per Share.

No redemption payment may be made to a Shareholder until all supporting documentation required by the Administrator, including any document in connection with the AML Legislation or other requirements and any documentation deemed necessary for regulatory or taxation purposes and/or any anti-money laundering procedures have been completed, sent to and received by the Administrator.

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

## 14 FEES AND EXPENSES

The following section on fees and expenses should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

### 14.1 Capped fees

The aggregate amount per annum charged in respect of service provider fees, including the Manager, Administrator, Depositary and Director fees and other service provider fees incurred shall accrue daily and be capped at 0.15% of the Net Asset Value of the Fund. This cap shall not apply to the Investment Management Fee described below. For the avoidance of doubt, in the event the service provider fees incurred are lower than this cap, the Fund will only pay the actual service provider fees.

The Manager, Administrator and Depositary will be paid monthly in arrears in accordance with their appointment agreements. In the event that the fees payable out of the Fund to the service providers, including the Manager, Administrator, Depositary and Directors (but excluding the Investment Manager) on an annual basis exceed 0.15% of the Net Asset Value of the Fund, the Investment Manager shall reimburse the Fund for any such excess monthly.

### 14.2 Investment Management Fee

The Investment Management Fee in respect of each Share Class shall be up to the percentage of the Net Asset Value of the relevant Share Class as indicated in the table above at the **Share Classes** section.

The Investment Management Fee will accrue daily and be payable monthly in arrears.

### 14.3 Expenses

The following expenses shall be borne by the Fund: taxation, portfolio transaction costs, including commissions and brokerage fees incurred with respect to the Fund's investments and all reasonable and vouched out-of-pocket expenses properly incurred by the service providers, delegates and Depositary to the Fund as disclosed in the Prospectus.

### 14.4 Establishments Costs

14.4.1 The cost of establishing the ICAV and the Fund are estimated not to exceed €100,000 (exclusive of VAT) and will be borne by the Fund and amortised over the first five years of the Fund's operation (or such other period as may be determined by the Directors in their discretion). The Directors may determine that a portion of such original set up costs may equitably be allocated to any other Funds established and launched during the first five years of the Fund's operation, as provided for in the Prospectus.

14.4.2 This section should be read in conjunction with the section headed **Fees and Expenses** in the Prospectus.

## 15 MISCELLANEOUS

At the date of this Supplement, there are no other Funds of the ICAV.

## APPENDIX 1

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** BennBridge ICAV - Global Emerging Markets Equity Fund **Legal entity identifier:** 635400MCKUQJTPCN3M18

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

**What environmental and/or social characteristics are promoted by this financial product?**

*The Fund promotes the environmental characteristic of transition to a low carbon economy, and the social characteristics of excluding companies that manufacture tobacco; and those that are involved in the manufacture, distribution and sales of controversial weapons. Please refer to sections 2.6.1 and 2.6.2 of the Fund Supplement for further details.*



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

*Sustainability indicators used to measure the attainment of the environmental characteristic promoted by the Fund are as follows:*

- *Total greenhouse gas emissions scope 1 & 2, 3;*

- *Relative carbon footprint; and*
- *Weighted Average Carbon intensity.*

*Sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are as follows:*

- *S&P Global Business Involvement screen; and*
- *Ad hoc independent Investment Manager analysis (0% of revenues).*

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

*N/A.*

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

*N/A.*

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

*N/A.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

*N/A.*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## **Does this financial product consider principal adverse impacts on sustainability factors?**



Yes

*The Investment Manager has elected to consider at Fund level the principal adverse impacts (PAIs) of investment decisions on sustainability factors in the manner contemplated by Article 4(1)(a) of the SFDR. Information on PAIs of investment decisions on sustainability factors will be made available in the periodic reports of the Fund. Further information on principal adverse impacts on sustainability factors is available at <https://www.bennbridge.com>. Please refer to section 2.6.3 of the Fund Supplement for further detail.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

## What investment strategy does this financial product follow?

*The Fund will invest in equities and/or equity related securities issued by (or the value of which is linked directly to equity securities issued by) primarily large and mid-capitalisation companies across sectors with emerging market exposure. Please refer to section 2 of the Fund Supplement for further detail.*

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

*Environmental characteristics – the Fund (1) invests in companies that are committed to lowering carbon emissions in order to contribute to the Fund aligning with the target of carbon neutrality by 2050; and (2) excludes companies that derive more than 25% of total revenue directly from the extraction of fossil fuels. Each investee company is measured against these metrics by the Investment Manager on a rolling 5-year average.*

*Social characteristics – the Fund excludes companies that (1) manufacture tobacco; and (2) are involved in the manufacture, distribution and sales of controversial weapons such as anti-personnel landmines, cluster munitions, chemical and biological weapons, nuclear weapons and civil weapons.*

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

*N/A.*

- **What is the policy to assess good governance practices of the investee companies?**

*The Investment Manager will review the management and controlling shareholders of a company focusing on their governance records, track record of delivering over the long term and their risk tolerances. The Investment Manager will also consider factors in relation to the market in which the company operates and whether significant barriers to entry exist. The Investment Manager will review financial information, seeking to identify companies with a conservative attitude to debt and positive cash flow over successive accounting periods. The Investment Manager will identify and assess the sustainability positioning of a company. This involves analysis of each company's environmental and social characteristics and includes consideration of its contribution towards climate change and upholding the fundamental principles of human rights. The Investment Manager believes poor sustainable behaviour reflects a lack of alignment between the people controlling the business and minority shareholders and is factored into the valuation and required rate of return of the investment over the long term. These considerations and the Investment Manager's binding criteria for the promotion of environmental and social characteristics are key determinants of whether a company is or remains investible for the Fund. Please refer to section 2.6.4 of the Fund Supplement.*

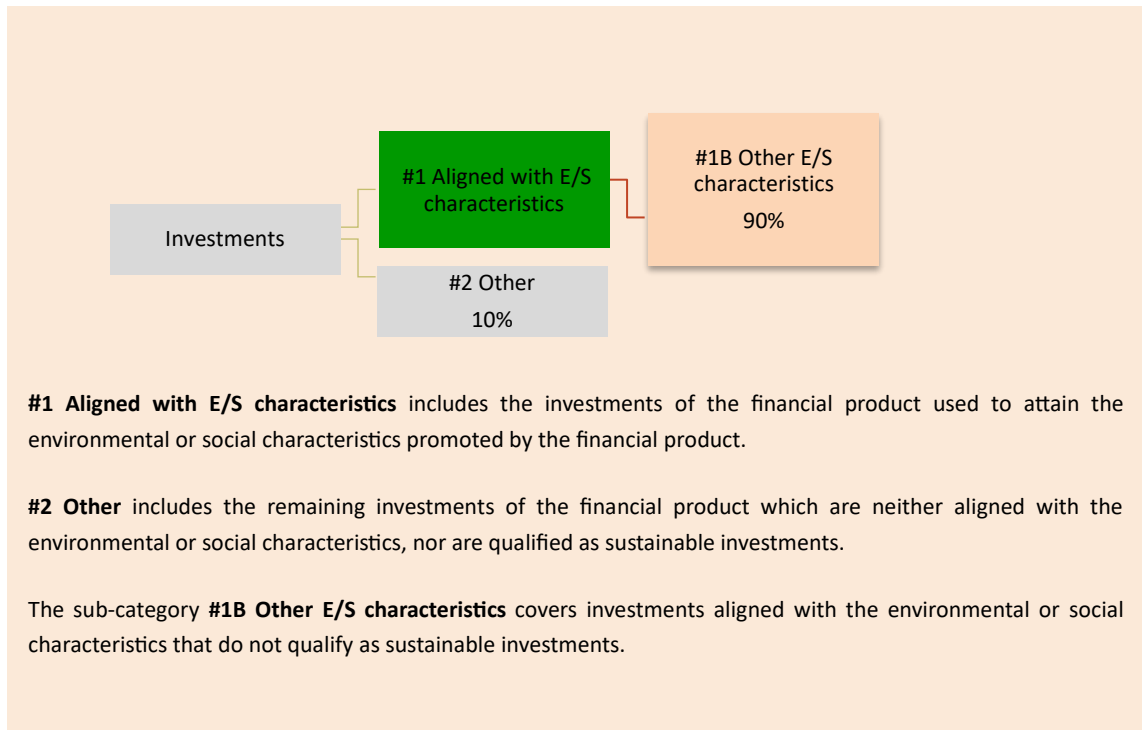


## What is the asset allocation planned for this financial product?

*The Fund promotes environmental and social characteristics. The Fund is not aligned with EU taxonomy, does not make sustainable investments nor have a sustainable investment objective. A minimum of 90% of the Fund's investments are aligned with promoting environmental and social characteristics, with a maximum 10% held in cash, bank deposits, money market funds and listed or traded short term paper including treasury bills (issued or guaranteed by any government which are rated and may offer fixed or variable interest rates) for liquidity management purposes only.*

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of: **turnover** reflecting the share of revenue from green activities of investee companies **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy. **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

*The Fund may use Financial Derivative Instruments (FDIs) for purposes of efficient portfolio management (EPM) only. The Fund will not invest in FDIs for investment purposes, but may acquire warrants and rights on equities, indirectly as a result of corporate action activity on equity holdings. Warrants and rights on equities will only be acquired indirectly as a result of corporate actions on equities acquired by the Fund in the promotion of environmental or social characteristics. The Fund does not use FDIs to attain the environmental and social characteristics it promotes.*





## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A.

*The Manager in conjunction with the Investment Manager consider that the Fund does not presently intend to be invested in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore, for the purpose of the Taxonomy Regulation, the current proportion of environmentally sustainable investments in accordance with the Taxonomy Regulation is 0% of the net assets of the Fund.*

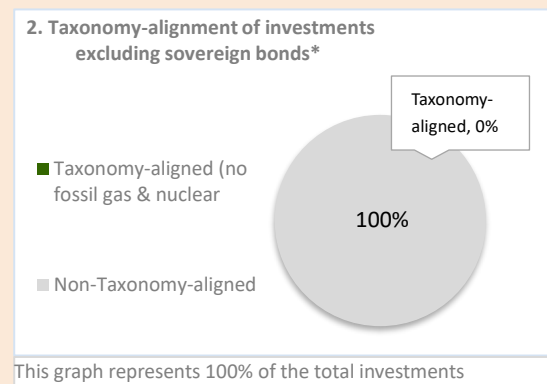
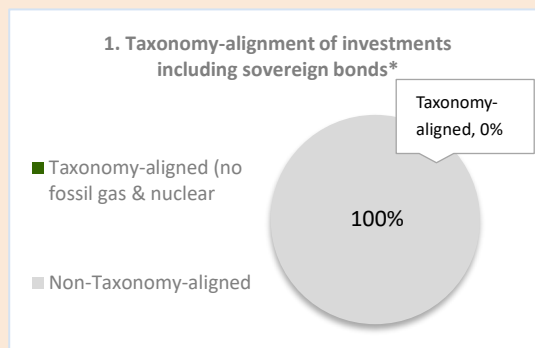
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

Yes:

In fossil gas       In nuclear energy

No:

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?**

N/A.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A.



**What is the minimum share of socially sustainable investments?**

N/A.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

*The Fund may, for ancillary liquidity purposes, hold and invest a maximum of 10% of investments in cash, bank deposits, money market funds and listed or traded short term paper including treasury bills (issued or guaranteed by any government which are rated and may offer fixed or variable interest rates). These investments are used as part of the overall risk management and liquidity management procedures of the Fund. There are no minimum environmental or social safeguards for these investments.*



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A.

- **How does the designated index differ from a relevant broad market index?**

N/A.

- **Where can the methodology used for the calculation of the designated index be found?**

N/A.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.bennbridge.com/uk/bennbridge-icav-global-emerging-markets-equity-fund>

