SECOND ADDENDUM

BERESFORD FUNDS ICAV (THE “ICAV”)

This Second Addendum should be read in conjunction with, and forms part of, the prospectus for the ICAV dated 18th September, 2019 and the First Addendum dated 31st January, 2020 (hereinafter referred to as the “Prospectus”).

All capitalised terms contained herein shall have the same meaning in this Second Addendum as in the Prospectus unless otherwise indicated.

Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus.

The Directors of the ICAV, whose names appear under the heading "Management and Administration" in the Prospectus, accept responsibility for the information contained in this Second Addendum. 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.

The Directors of the ICAV wish to advise all Shareholders of the following changes to the Prospectus for the ICAV and to the relevant Supplements for the Funds.

Amendments to the Prospectus

1. **Change to the section of the Prospectus entitled “Risk Factors”.**

   The section of Prospectus entitled “Risk Factors”, will be amended, whereby a new risk factor will be inserted under the section entitled “GDPR” as follows:

“Sustainability Risk

“*Sustainability risk*” refers to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The value of a Fund’s assets may be affected by such events.

Environmental
Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which a Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region.

Social
Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which a Fund may invest or otherwise have exposure. Social risks also relate to the vulnerability of a business to, and its ability to take advantage of, broader social “megatrends”. Such risks may arise in respect of the company itself, its affiliates or in its supply chain.

Governance
Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies in which a Fund may invest or otherwise have exposure. Such risks may arise in respect of the company itself, its affiliates or in its supply chain."

<u>Amendments to the Supplements</u>

2. Non-ESG Funds which are managed by Irish Life Investment Managers Limited

The section of the Supplement for each of the Funds which are listed below

- **Supplement 1 - Indexed Global Equity Fund Supplement**
- **Supplement 2 - Indexed Euro Government Long Dated Bond Fund**
- **Supplement 3 - Indexed EMU Equity Fund**
- **Supplement 4 - Indexed World Small Cap Equity Fund**
- **Supplement 5 - Indexed Euro Large Cap Corporate Bond Fund**
- **Supplement 6 - Indexed Euro Government HICP Inflation Linked Bond Fund**
- **Supplement 7 - Enhanced Commodity Fund**
- **Supplement 8 - Indexed Euro Government Short to Medium Dated Bond Fund**
- **Supplement 9 - Indexed Emerging Market Debt Fund Supplement**
- **Supplement 10 - Indexed Fundamental Global Equity Fund**
- **Supplement 11 - Indexed Minimum Volatility Global Equity Fund**
- **Supplement 12 - International Cash Fund**
- **Supplement 19 - Indexed Emerging Market Equity Fund**
- **Supplement 20 - All Maturities EMU Government Bond Fund**

entitled "5. Investment Policy", shall be updated at the end of the section, to include the below wording as a new additional risk warning:

"***Sustainability Risk***

The EU Sustainable Finance Disclosure Regulation ("**SFDR**") requires a determination, on a product-by-product basis, whether sustainability risks are relevant to financial products. For the purposes of SFDR, "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

While sustainability risks might (from an economic perspective) have a material negative effect on the returns of the Fund, the investment manager has determined that sustainability risks are not relevant to the Fund. This assessment is made by reference to the investment policy of the Fund rather than economic factors. Consequently, the Investment Manager does not integrate sustainability risks into its investment decision making for the Fund and has not assessed the likely impacts of sustainability risks on the returns of the Fund.

The Investment Manager will keep its assessment that sustainability risks are not relevant to the Fund under regular review."

3. Non-ESG Funds which are managed by Setanta Asset Management Limited

The section of the Supplement for each of the Funds which are listed below

- **Supplement 14 - Setanta Reditus Income Fund**
- **Supplement 15 - Setanta Reditus Global Equity Fund**
- **Supplement 16 - Setanta Reditus Global Balanced Fund**
- **Supplement 17 - Setanta Global Equity Fund**
- **Supplement 18 - Setanta Income Opportunities Fund**

entitled “6. Investment Policy”, shall be updated at the end of the section, to include the below wording as a new additional risk warning:

“Sustainability Risk

The EU Sustainable Finance Disclosure Regulation (“**SFDR**”) requires a determination, on a product-by-product basis, whether sustainability risks are relevant to financial products. For the purposes of SFDR, “sustainability risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

While sustainability risks might (from an economic perspective) have a material negative effect on the returns of the Fund, the investment manager has determined that sustainability risks are not relevant to Fund. This assessment is made by reference to the investment policy of the Fund, which does not expressly promote or have a core objective concerning sustainability matters as set out in SFDR, or oblige the Investment Manager to integrate sustainability risks into its investment decision making for the Fund and assess the likely impacts of sustainability risks on the returns of the Fund.

The Investment Manager has implemented a policy in respect of the integration of sustainability risks in its investment decision making process on a firm wide basis. This policy is available on the Investment Manager’s website www.setanta-asset.com.

The Investment Manager will keep its assessment that sustainability risks are not relevant to the Fund under regular review.”

4. Amendments to Supplement 22

The section of the Supplement for the **Indexed ESG Emerging Market Debt Hard Currency Fund** entitled “5. Investment Policy”, shall be updated at the end of the section, to include the below wording as a new additional risk warning:

“Sustainability Risk

The EU Sustainable Finance Disclosure Regulation (“**SFDR**”) requires a determination, on a product-by-product basis, whether sustainability risks are relevant to financial products. For the purposes of SFDR, “sustainability risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and social characteristics, as further described below.

The environmental and social characteristics promoted by the Fund

The Fund is passively managed. Its objective is to track the performance of the JP Morgan ESG EMBI Global Diversified Index. This Index is an environmental, social and corporate governance ("**ESG**") version of the JP Morgan EMBI Global Diversified Index ("**EMBIGD**"). The administrator of the Index, J.P. Morgan Securities LLC, applies an ESG scoring and screening methodology to score each constituent of the EMBIGD, to tilt toward issuers ranked higher on ESG criteria and green bond issues and to underweight and remove issuers that rank lower. Further description of the Index and the scoring methodology is provided in the "Investment Policy".

How the environmental and social characteristics are promoted by the Fund

In order to meet the environmental and social characteristics promoted, the Fund aims, in so far as is possible, for full replication of the underlying constituents of the index. The administrator of the Index applies an ESG scoring and screening methodology to score each constituent of the EMBI Global Diversified Index, to tilt toward issuers ranked higher on ESG criteria and green bond issues and to underweight and remove issuers that rank lower.

Underlying investments can also consist of assets that are not relevant to the environmental and social characteristics promoted by the Fund, including but not limited to hedging instruments, derivatives, or money market instruments."

5. Amendments to Supplement 13

The section of the Supplement for the **Global Low Volatility Active Equity Fund** entitled "5. Investment Policy", shall be updated after the second paragraph in this section, to include the below wording:

"The Fund aims to promote environmental and social characteristics including enhanced exposure to more sustainable companies and a better alignment to the low carbon transition economy, by incorporating both exclusionary screening and sustainability criteria to the selection of underlying assets."

The section of the Supplement for the Fund entitled "5. Investment Policy", shall be updated at the end of the section, to include the below wording as a new additional risk warning:

"Sustainability Risk

The EU Sustainable Finance Disclosure Regulation ("SFDR") requires a determination, on a product-by-product basis, whether sustainability risks are relevant to financial products. For the purposes of SFDR, "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and social characteristics, as further described below.

The environmental and social characteristics promoted by the Fund
Among other characteristics, the Fund aims to promote environmental and social characteristics including enhanced exposure to more sustainable companies and a better alignment to the low carbon transition economy.

How environmental and social characteristics are promoted by the Fund

In order to meet the environmental and social characteristics promoted by the Fund, the investment manager incorporates both exclusionary screening and applies binding sustainability criteria to the selection of underlying assets as part of its investment decision making process.

The Investment Manager relies on ESG scores from Sustainalytics in order to assess and monitor its investments.

The Investment Manager implements an exclusion policy which targets the exclusion of business activities that damage the environmental or social objectives of a sustainable environment in addition to excluding companies that demonstrate harmful corporate behaviour or produce products that harm when used as intended or where production causes significant harm.

The Fund selects securities using sustainability criteria (in addition to an assessment of their governance practices), alongside other financial factors including but not limited to quality, value and/or momentum, in order to:

- Increase exposure to better ESG rated companies based on the level and trend of their ESG rating; and
- Reduce exposure to high carbon intensive companies that more likely to be impacted by increasing carbon pricing, and carbon regulatory risks, in the transition to a low carbon economy.

In accordance with its Responsible Investment Policy and Shareholder Engagement Policies, the investment manager adopts an active ownership approach which aims to maximise the medium- to long-term value for investors. The investment manager uses the rights granted to it in respect of the Fund to exercise voting rights and to constructively engage with investee companies, encouraging better standards and management processes covering financially material ESG risks.”

6. Amendments to Supplement 21.

The section of the Supplement for the **North America Sustainable Equity Fund** entitled "5. Investment Policy", shall be updated at the end of the section, to include the below wording as a new additional risk warning:

"Sustainability Risk

The EU Sustainable Finance Disclosure Regulation ("SFDR") requires a determination, on a product-by-product basis, whether sustainability risks are relevant to financial products. For the purposes of SFDR, "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has categorised the Fund as meeting the provisions set out in Article 9 of SFDR for products which have a sustainable investment objective, as further described below.

The environmental and social characteristics promoted by the Fund

The Fund invests predominantly in a diversified portfolio comprised of equities and/or other Transferable Securities (including preference shares) issued by companies domiciled, established, listed or operating in North America, that pursue a policy of sustainable development and that combine the respect of social principles (such as human rights, non-discrimination, the fight against child labour) and environmental principles with their focus on financial targets. The selection of portfolio holdings is based on the companies that best fulfil the combination of these criteria, largely determined by a "best-in-class" approach.

How the environmental and social characteristics are promoted by the Fund

In order to meet the environmental and social characteristics promoted by the Fund, the Investment Manager incorporates both exclusionary screening and applies binding sustainability criteria to the selection of underlying assets as part of its investment decision making process.

The Investment Manager, in conjunction with any Investment Adviser appointed, assesses the ESG risks based on policies and behaviour, and uses the Investment Adviser's proprietary dashboard of ESG performance and materiality at company level. The responsible investment criteria applied may lead to exclusions. These exclusion filters relate to both activities and behaviours and are applied to the equity portion of the Fund. For example, no investments are made in companies that violate Global Compact principles such as human rights protection and environmental preservation. Stringent restrictions are applicable for investment in companies involved in activities related to gambling, weapons, adult entertainment, fur and specialty leather, Arctic drilling and shale oil and gas.

Equity securities are positively selected on the basis of sustainability metrics, i.e. companies which adhere to sustainable principles. These sustainable principles are those which promote environmentally friendly, energy saving practices and encourage socially responsible labour practices.

In accordance with its Responsible Investment Policy and Shareholder Engagement Policies, the investment manager adopts an active ownership approach which aims to maximise the medium- to long-term value for investors. The Investment Manager uses the rights granted to it in respect of the Fund to exercise voting rights and to constructively engage with investee companies, encouraging better standards and management processes covering financially material ESG risks."

Shareholders are advised that the above changes to the Prospectus shall, unless otherwise specified herein, be effective as and from the date of this Second Addendum and shall, in the event of conflict with the corresponding provisions of the Prospectus, have precedence over the Prospectus.

Dated: 4 March, 2021