

## SUPPLEMENT 19

### **New World Indexed Emerging Market Equity Fund**

This Supplement contains information relating specifically to the New World Indexed Emerging Market Equity Fund (the "Fund"), a sub fund of Beresford Funds ICAV (the "ICAV"), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between Funds authorised by the Central Bank of Ireland (the "Central Bank") on 22<sup>nd</sup> May, 2007 as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 24 May, 2022 (the "Prospectus").**

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

**Investors should not invest a substantial proportion of their investment portfolio in this Fund and an investment in the Fund may not be appropriate for all investors.**

Investors should read and consider the section of the Prospectus entitled "Risk Factors" before investing in the Fund.

#### **1. Interpretation**

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) on which banks in Ireland are open for business or such other day or days as may be determined by the Directors, in consultation with the Manager and the Investment Manager, and notified to Shareholders.
"Dealing Day"	means each Business Day or less frequent dates as may be determined by the Directors, in consultation with the Manager and the Investment Manager, and notified in advance to Shareholders provided that there shall be at least one Dealing Day per fortnight.
"Distributor"	means ILIM.
"Emerging Markets"	means any country that is classified as an emerging market in the Solactive ILIM Sustainable Emerging Markets Equity Index.

"Index"	means the Solactive ILIM Sustainable Emerging Market-Equity Index NTR.1
"Initial Offer Period"	means the period in which the Shares of the Fund will be offered at the Initial Price.
"Initial Price"	means €1.
"Investment Manager"	means ILIM. A description of the Investment Manager can be found under the heading "Management and Administration-Investment Manger" in the Prospectus.
"Redemption Deadline"	means 11am Irish time on the Business Day before any Dealing Day or, in exceptional circumstances, such other time as the Directors, in consultation with the Manager, may determine and notify in advance to Shareholders provided always that the Redemption Deadline is no later than the Valuation Point and such applications must be received before the close of business in the relevant market that closes first on that Dealing Day.
"Subscription Deadline"	means 11am Irish time on the Business Day before any Dealing Day or, in exceptional circumstances, such other time as the Directors, in consultation with the Manager, may determine and notify in advance to Shareholders provided always that the Subscription Deadline is no later than the Valuation Point and such applications must be received before the close of business in the relevant market that closes first on that Dealing Day.
"Valuation Point"	means close of business in the relevant market(s) on the relevant Dealing Day or after the close of the Initial Offer Period.

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

## 2. Base Currency

The base currency of the Class A, Class B, Class J and Class P1 Shares will be Euro. The Net Asset Value per Share will be published and settlement and dealing will be effected in Euro.

## 3. Profile of Typical Investor

Investment in the Fund is suitable for investors who understand the degree of risks involved and believe that the investment is suitable based upon investment objectives and financial needs. The Fund invests in Emerging Market equities and local currencies and has a higher level of volatility than the broad global equity market. This investment is more suitable for medium to long-term investors.

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<sup>1</sup> This Fund is not sponsored, endorsed, sold or promoted by Solactive AG ("Solactive"). Please see Appendix VI to the Prospectus for further disclaimer information from Solactive.

#### **4. Investment Objective**

The investment objective of the Fund is to provide investors with a total return net of fees and expenses, taking into account both capital and income returns, which reflects the return of the Index. The Fund will aim to match the performance of the Index as part of this objective.

#### **5. Investment Policy**

The Fund utilises a passive investment approach, which aims to deliver an investment performance in line with the Index by investing in the constituents of the Index. The Fund uses a sampling approach, meaning that it holds a range of securities that, in the aggregate, approximate the full Index in terms of key financial risk factors and other financial characteristics, including, but not limited to, currency weights, industry weights, sector weights and other financial characteristics of equities and thus look for the portfolio to track the Index returns closely.

The Index offers broad exposure to emerging market stocks around the world. Stocks are weighted within the Index based on their free float market capitalisation weights and a range of sustainability criteria, including but not limited to Environmental, Social and Governance (“ESG”) scores and carbon scores.

The Index screens out stocks based on an assessment by Sustainalytics of their adherence to ESG and carbon criteria international norms in relation to environmental protection, human rights, labour standards, anti-corruption, controversial weapons, manufacture and supply of tobacco products, thermal coal, oil sands and arctic oil.

The Index methodology uses Sustainalytics for calculating the ESG metrics. Sustainalytics, a Morningstar Company, is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies.

In addition to screening, the Index ranks each company by ESG and carbon metrics as calculated by Sustainalytics. A composite ESG score is calculated using a combination of the Sustainalytics ESG Risk score and its 12 month change (“ESG Momentum”) for each issuer and combines these two data points in a ratio of 75% to 25% respectively. A composite carbon score is also calculated using Sustainalytics data and is an equal weight combination of Carbon Risk (a carbon transition risk score), Carbon Intensity, Fossil Fuel Revenues and Green Revenues.

The ESG ranking compares the ESG risk of a company against the average company in its industry for both current ESG Risk score and its 12 month change. All companies are ranked on the composite ESG Score and the companies with the weakest values are screened from the Index. A minimum of 5% of issuers (or 3% of market cap) and a maximum of 10% of names (or 7% of market cap) are removed. The remaining companies market cap weights are then tilted: securities with favourable ESG characteristics are up-weighted while unfavourable securities are down-weighted.

Similarly, the Carbon composite score ranks the carbon scores of a company against the average issuer in its industry for both carbon risk and carbon intensity, as well as data concerning green revenues and revenues linked to fossil fuel activities. The composite Carbon score is determined by multiplying each of the four indicators. Each company’s Index weight is subsequently tilted

with companies possessing a favourable (unfavourable) carbon score up-weighted (down-weighted).

Further details on this Index can be found on the Index factsheet available on Solactive AG's ("Solactive") website at the following webpage;

[https://www.solactive.com/wp-content/uploads/solactiveip/en/Factsheet\\_DE000SL0DF95.pdf](https://www.solactive.com/wp-content/uploads/solactiveip/en/Factsheet_DE000SL0DF95.pdf)

whilst a detailed methodology document can be available at the following webpage;

[https://solactive.com/downloads/Solactive\\_ILIM\\_Sustainable\\_Index\\_Family.pdf](https://solactive.com/downloads/Solactive_ILIM_Sustainable_Index_Family.pdf)

The Fund primarily invests directly in equities that are constituents of the Index. Index constituents are across a range of industries and jurisdictions. The Fund may also use derivatives for efficient portfolio management purposes, details of which are set out under the heading "Use of Derivatives/Efficient Portfolio Management Techniques".

The Index administrator, Solactive, is registered pursuant to Article 34 (1)(c) of the Benchmark Regulations. Investors should note that the ICAV has a contingency policy in place setting out the actions that the ICAV will take in the event that the Index materially changes or ceases to be provided. A copy of the contingency arrangements in place are available on request from the ICAV.

The Index is reviewed and rebalanced on a semi-annual basis by the Index provider. The costs incurred by the Fund, which are associated with gaining exposure to the Index, will be impacted by the level of turnover of Index constituents when the Index is rebalanced.

The Fund measures its performance against the Index. Investors should keep in mind that an index fund has operating expenses and costs, including taxation; a market index (also referred to as a benchmark for tracking purposes) does not. Therefore, an index fund, while expected to track a specific index as closely as possible, typically will not match the performance of the targeted index exactly.

The anticipated annual tracking error, in normal market conditions, relative to the Index is 0.75%.

Details of the Index constituents are available on the Solactive Website.

Investment in Russia is not expected to constitute a significant portion of the Fund's investments. The Fund may invest directly in Russian securities or gain exposure using Russian ADR's. Any direct investment in Russia will only be made in securities that are listed/traded on the Moscow Exchange.

The Fund's investments may include certain eligible China A Shares through the Shanghai-Hong Kong Stock Connect Scheme and Shenzhen-Hong Kong Stock Connect Schemes (the "Connect Schemes"). The Connect Schemes are securities trading and clearing links programmes developed by, amongst others, The Stock Exchange of Hong Kong Limited (and the Shenzhen Stock Exchange in the case of the Shenzhen-Hong Kong Stock Connect Scheme) ("SEHK"), Shanghai Stock Exchange ("SSE"), Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong and Shenzhen.

The term “China A Shares” means domestic shares in the Peoples Republic of China incorporated companies listed on either the SSE or the Shenzhen Stock Exchange, the prices of which are quoted in RMB and which are available to such investors as approved by the China Securities Regulatory Commission (“CSRC”).

Investment in China A equities shall not exceed 20% of the net assets of the Fund.

It should be noted that the Fund may not invest more than 10% of its net assets in transferable securities of any one issuer and if it invests more than 5% of its net assets in securities of any particular issuer the aggregate value of all holdings of this kind may not exceed 40% of the net assets of the Fund. Consequently, it will not be possible for movements in the Index to be replicated completely in the Fund if one or more investments would exceed those limits, as measured by the percentage-weight within the Index.

The Fund may invest, subject to a maximum limit of 10% in aggregate of its net assets, in other collective investment schemes. Where investment is made in a different fund of the ICAV, management fees or investment management fees will not be charged to the Fund in respect of that portion of the Fund’s assets invested in the other fund of the ICAV. Any investment in collective investment schemes will be for the purposes of meeting the Funds objective, e.g. in schemes which track or replicate the Index, although the investment will not be a constituent part of the Index.

The Fund may also invest in American, International, and Global Depository Receipts (ADRs/IDRs/GDRs) which are listed on a recognised exchange as set out in Appendix II of the main Prospectus document to gain exposure to the constituents of the Index. Any investment in ADRs/IDRs/GDRs will be for the purposes of meeting the Fund’s objective, although the investment will not be a constituent part of the Index.

Investment may also be made in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on Recognised Exchanges and in cash deposits denominated in such currency or currencies as the Investment Manager may determine are appropriate. Such circumstances include where market conditions may require, for cash management purposes, to provide liquidity in the portfolio, the holding of cash on deposit pending investment/reinvestment, the holding of cash in order to meet redemptions and payment of expenses or in order to support derivative exposure.

A list of the Recognised Exchanges in which the Fund is permitted to invest, in accordance with the requirements of the Central Bank is contained in Appendix II to the Prospectus and should be read in conjunction with, and subject to, the Fund's investment objective and investment policy, as detailed above. The Central Bank does not issue a list of approved markets. With the exception of permitted investments in unlisted securities, investment will be restricted to the Recognised Exchanges listed in Appendix II to the Prospectus.

The value of the underlying assets of the Fund will directly reflect their market values and may fall or rise in value and as such the Fund may experience high volatility.

### **Use of Derivatives/Efficient Portfolio Management Techniques**

In accordance with the investment objectives of the Fund, the Investment Manager, may trade in derivatives for efficient portfolio management purposes (which includes hedging). The Fund may also use repurchase agreements, reverse repurchase agreements and/or stock lending

agreements for efficient portfolio management purposes.

The term ‘efficient portfolio management’ refers to transactions that are entered into with the aim of reducing risk, reducing costs or generating additional capital for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund. Further detail in this regard is set out in the section of the Prospectus entitled “The ICAV; Efficient Portfolio Management”.

The Investment Manager may trade in “exchange-traded” and “over-the-counter” derivative instruments.

### *Derivatives*

The Fund may invest in future contracts, forwards and options for cash management and cash equitisation purposes, or as an alternative to acquiring the underlying or the related securities where such investment may be accomplished in a more efficient or less costly way through the use of derivatives. The underlyings for these futures and options will be broad country equity market indices representative of the portfolio’s underlying security holdings. Such instruments may also be used to maintain or manage exposure to the market while managing the cash flows from subscriptions and redemptions into and out of the Fund more efficiently than by buying and selling equities. A description of the derivatives used by the Fund are set out below.

The Fund will not generate synthetic short positions for investment purposes using financial derivatives.

### *Forwards*

Forwards, such as forward foreign exchange contracts, are an obligation to purchase or sell a specific asset at a future date at a price set at the time of the contract. 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.

### *Futures*

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The Fund may use futures on equity indices for hedging cash management, and efficient investing.

### *Options*

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price by, or at, a specified date. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price by, or at, a specified date. Options may also be cash settled. The Fund may use Options for hedging, cash management and efficient investing.

### *Securities Financing Transactions*

The Fund may engage in securities financing transactions, namely securities lending. The Fund will only engage in securities lending for efficient portfolio management purposes and subject to and in accordance with the conditions and limits set out in the Central Bank UCITS Regulations. The types of assets that will be subject to securities lending will be equities. Details in respect of the Manager's collateral policy and counterparty procedures are set out in the Prospectus under "Collateral Management".

The maximum exposure of the Fund to securities lending will be 100% of the net assets of the Fund.

### *Global Exposure and Leverage*

In relation to the above use of financial derivatives, it is expected that any leverage that arises as a result of using these financial derivatives for efficient portfolio management purposes (to include hedging) as further described in the main body of the Prospectus will be minimal, and in any event aggregate exposure to the financial derivatives will not exceed 100% of the Fund's Net Asset Value. The commitment approach will be used to calculate the Funds global exposure. The commitment approach requires the Fund to convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. The Fund may take into account netting and hedging arrangements when calculating its global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Details of the risks regarding the use of financial derivatives is set out under the heading "Derivatives and Techniques and Instruments Risk" within the Prospectus of the ICAV.

### *Risk Management Process*

The Fund will employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Fund will not utilise financial derivatives which have not been included in the risk management process. The Fund 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 investments.

### *Sustainability Risk*

The SFDR requires a determination, on a product-by-product basis, of 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 Index. The Index offers broad exposure to emerging market stocks around the world. Stocks are weighted within

the Index based on their free float market capitalisation weights and a range of sustainability criteria, including but not limited to ESG and carbon scores. The Index screens out stocks based on an assessment of their adherence to carbon and ESG criteria, including international norms in relation to environmental protection, human rights, labour standards, anti-corruption, controversial weapons and manufacture and supply of tobacco products, thermal coal, oil sands and arctic oil. Further details on this Index can be found on the internet on Solactive's website [www.solactive.com/indices](http://www.solactive.com/indices).

For further information on the Fund's ESG strategy, please refer to the Annex to this Supplement.

### **How the environmental and social characteristics are promoted by the Fund**

In order to meet the environmental and social characteristics promoted, stocks are weighted by the administrator of the Index based on their free float market capitalisation and a range of sustainability criteria, including but not limited to ESG and carbon scores. The Index screens out stocks based on an assessment of their adherence to carbon and ESG criteria, including international norms in relation to environmental protection, human rights, labour standards, anti-corruption and controversial weapons.

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.

## **6. Offer**

Class B Shares in the Fund will be offered at an Initial Price of €1 from 9am on 24 August, 2015 to the earlier of 11am on the date subscriptions are first received in respect of the relevant Share Class(es) or to 5pm on 4<sup>th</sup> April, 2023 and Class J will be offered at an Initial Price of €1 from 9am (Irish time) on 28<sup>th</sup> November, 2022 to the earlier of 11am (Irish time) on the date subscriptions are first received in respect of the relevant Share Class or to 5pm (Irish time) on 4<sup>th</sup> April, 2023 (the "initial offer period") subject to acceptance of applications for Shares by the Administrator and will be issued for the first time on the first Dealing Day after expiry of the initial offer period.

A sales commission as detailed below under the heading "Sales Commission" may be added to the Initial Price (however it is not the current intention of the Directors to charge a sales commission). The initial offer period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on an annual basis. The first Valuation Point for the Fund will be the Dealing Day on which the Initial Offer Period for the relevant Class(es) of Shares in the Fund closes. Thereafter, Shares will be available for issue on the Dealing Day following the close of the Initial Offer Period.

Class A and Class P1 Shares in the Fund are available on any Dealing Day at the Net Asset Value per Share.

## **7. Minimum Subscription, Minimum Holding and Minimum Transaction Size**

Each investor must subscribe a minimum of €50,000 and must retain Shares having a Net Asset Value of €10,000. A Shareholder may make subsequent subscriptions, conversions and redemptions, each subject to a minimum transaction size of €10,000.

Subject to the requirements of the Central Bank, the Directors reserve the right to differentiate between Shareholders as to and waive or reduce the Minimum Subscription, Minimum Holding and minimum transaction size for certain investors.

## **8. Application for Shares**

Applications for Shares may be made through the Administrator (whose details are set out in the Application Form) on behalf of the ICAV. Applications received by the Administrator on behalf of the ICAV prior to the Subscription Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Subscription Deadline for a particular Dealing Day will be processed on the following Dealing Day unless and in exceptional circumstances the Directors in consultation with the Manager in their absolute discretion otherwise determine(s) to accept one or more applications received after the Subscription Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day and must be received before the close of business in the relevant market that closes first on that Dealing day. Any permanent change in the Subscription Deadline as defined will be notified in advance to Shareholders.

Initial applications should be made using an Application Form obtained from the Administrator but may, if the Administrator so determines, be made by telefax subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax as may be permitted by the Directors in consultation with the Manager without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .01 of a Share.

Subscription monies, representing less than .01 of a Share will not be returned to the investor but will be retained by the ICAV in order to defray administration costs.

### *Method of Payment*

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank accounts specified in the Application Form. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### *Currency of Payment*

Subscription monies are payable in Base Currency. However, the ICAV may accept payment in such other currencies as the ICAV may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than 2 Business Days after the relevant Dealing Day provided that the ICAV reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the ICAV or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at EURIBOR + 1%, which will be paid into the Fund together with an administration fee of €200, which is payable to the ICAV. The ICAV may waive either of such charges in whole or in part. In addition, the ICAV has the right to sell all or part of the investor's holding of Shares in the Fund or any other fund of the ICAV in order to meet such charges.

### *Operation of Umbrella Cash Accounts in the name of the ICAV; Subscriptions*

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in an Umbrella Cash Account in the name of the ICAV and will be treated as an asset of the Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the Fund with respect to the amount subscribed and held by the ICAV until such Shares are issued on the relevant Dealing Day.

In the event of an insolvency of the Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account in relation to the application for Shares.

Your attention is drawn to the section of the Prospectus entitled “Risk Factors” –“Operation of Umbrella Cash Accounts”.

### *Confirmation of Ownership*

Confirmation of each purchase of Shares will be sent to Shareholders within 24 hours of the purchase being made. Title to Shares will be evidenced by the entering of the investor's name on the ICAV's register of Shareholders.

## **9. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Application Form on behalf of the ICAV by facsimile or written communication

as may be permitted by the Directors in consultation with the Manager and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Redemption Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Redemption Deadline for a Dealing Day will be processed on the next Dealing Day unless in exceptional circumstances the ICAV in its absolute discretion determines otherwise provided they are received prior to the Valuation Point and must be received before the close of business in the relevant market that closes first on that Dealing day. Any permanent change in the Redemption Deadline as defined will be notified in advance to Shareholders.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions.

No redemption payment will be made from an investor holding until the original subscription application form and all documentation required by or on behalf of the ICAV (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the ICAV until such time as the Administrator is satisfied that its anti-money laundering and anti-fraud procedures have been fully complied with, following which redemption proceeds will be released.

The minimum value of Shares which a Shareholder may redeem in any one redemption transaction is the minimum transaction size specified above. In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the ICAV may, if it thinks fit, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share. The Directors are empowered to charge a redemption fee of up to 3% of the Net Asset Value per Share and may exercise their discretion in this respect if they have reason to believe that any Shareholder requesting redemption is attempting any form of arbitrage on the yield of Shares in the Fund. Shareholders should view their investment as medium to long term.

#### *Operation of Umbrella Cash Accounts in the name of the ICAV; Redemptions*

Redemption monies payable to an investor subsequent to a Dealing Day of the Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Fund as of the relevant Dealing Day) will be held in an Umbrella Cash Account and will be treated as an asset of the Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the Fund with respect to the redemption amount held by the ICAV until paid to the investor.

In the event of an insolvency of the Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Investors due redemption monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such

circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

Your attention is drawn to the section of the Prospectus entitled “Risk Factors” –“Operation of Umbrella Cash Accounts” above.”

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Redemption payments will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid on/within 5 Business Days of the Redemption Deadline for the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the ICAV or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Compulsory/Total Redemption*

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

### **9. Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant fund or Classes, Shareholders may request conversion of some or all of their Shares in one fund or Class to Shares in another fund or Class or another Class in the same fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

### **11. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or

conversion will be processed as at the next Dealing Day following the ending of such suspension.

## **12. Fees and Expenses**

In order to minimise on-going expenses relating to Class J, the Investment Manager will assume any expenses if and to the extent that the total expense ratio of Class J exceeds 0.10% of the Net Asset Value of the Share Class.

Shareholders will promptly be notified in advance of any determination by the Investment Manager to withdraw or revise the details of this fee waiver.

### *Manager's Fees*

Pursuant to the Management Agreement, the Manager is entitled to charge the Fund an annual fee not to exceed 0.03% of the Net Asset Value of the Fund, subject to a minimum annual fee not to exceed €40,000 per Fund, which fee shall be allocated pro-rata to all Funds of the ICAV. The Manager's fee shall be subject to the imposition of VAT if required. The fee will be calculated and accrued daily and is payable monthly in arrears. The Manager's fee may be waived or reduced by the Manager, in consultation with the Directors. It is not the current intention of the Manager to charge an annual management fee, and any decision to charge a management fee will be notified in advance to Shareholders.

The Manager shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses properly incurred and any VAT on all fees and expenses payable to or by it.

### *Administrator's Fee*

The fees payable to the Administrator are set out under section 3 of the Prospectus and will be subject to a minimum annual fee of €20,000.00.

### *Depositary's Fee*

The fees payable to the Depositary are set out under section 3 of the Prospectus and will be subject to a minimum annual fee of €6,000 for the Fund.

### *Investment Manager Fee*

The Investment Manager is entitled to receive an annual fee accrued at each Valuation Point and payable monthly in arrears out of the assets of the Fund as a percentage of the Net Asset Value of each Class of Shares in the Fund at the rates stated below.

Class A, Class B, Class J and Class P1 Shares; up to 1% (plus VAT, if any) of the Net Asset Value of the Fund attributable to Class A, Class B, Class J and Class P1 Shares respectively.

The fees and operating expenses of the ICAV are set out in detail under the heading "Fees and Expenses" in the Prospectus. The fees payable out of the Fund's assets to the Distributor(s) as sales commissions are as follows:

### *Sales Commission*

Shareholders may be subject to a sales commission calculated as a percentage of subscription monies subject to a maximum of 2% per annum of the Net Asset Value per Share held by Shareholders. It is not the current intention of the Directors to charge a sales commission.

### *Redemption Fee*

A redemption fee not exceeding 3% of the Net Asset Value of Shares being redeemed may be imposed on the redemption of Shares which shall be retained by the Fund for its sole use and benefit or as it may determine. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the redemption fee chargeable to certain Shareholders. It is not the Directors current intention to impose any redemption fee at present.

### *Conversion Fee*

A conversion fee not exceeding 5% of the Net Asset Value of Shares in the original fund may be imposed on the conversion of Shares in any fund to Shares in another fund. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the conversion fee chargeable to certain Shareholders. It is not the Directors current intention to impose any conversion fee at present.

### *Establishment Costs*

The costs and expenses of establishing the Fund and the expenses associated with the issue of Shares, including the costs incurred in connection with the preparation and publication of this Supplement and all legal and printing costs, as well as any costs associated with opening trading accounts for the Fund, which are estimated to amount to approximately €25,000, will be paid out of the assets of the Fund, and amortised over the first five years of the Fund's operation or such other period and in such manner as the Directors may in their discretion determine.

## **13. Dividends and Distributions**

The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of the Fund will be accumulated and reinvested on behalf of Shareholders.

The Directors, in consultation with the Manager, may at any time determine to change the policy of the Fund with respect to distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and all shareholders will be notified in advance of such change becoming effective.

## **14. Risk Factors**

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "The ICAV".

**1 December, 2022**

**Product name:** New World Indexed Emerging Market Equity Fund

**Legal entity identifier:** 6354004MWMENFWRYVZ97

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**    **No**

- |  |  |
|--|--|
| <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> | <p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> |
| <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: ___%</p>   | <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>   |



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

The environmental and/or social characteristics promoted by the Fund are as follows:

- To reduce the impact of the Fund on Climate Change (relative to the appropriate broad market benchmark);
- To increase the Fund’s exposure to companies with improved sustainability and lower ESG risk scores (relative to the appropriate broad market benchmark).

The Fund has designated Solactive ILIM Sustainable Emerging Market- Equity Index NTR (the “Index”) as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

## 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?***

The indicators used to measure the outcomes of this approach are:

Reduce the impact of Climate Change

> Reduction in carbon intensity of the portfolio versus the appropriate broad market benchmark.

> Reduction in fossil fuel involvement of the portfolio versus the appropriate broad market benchmark.

Increase the Fund's exposure to companies with improved sustainability and lower ESG risk scores (relative to the appropriate broad market benchmark).

> Reduction in the Environment, Social, Governance and overall ESG risk scores versus the appropriate broad market benchmark.

- ***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?***

Not applicable ("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?

**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.

X

Yes,

The Fund aims to reduce negative impacts to the environment and society. These negative impacts are also called adverse impacts, whereby the most significant adverse impacts are referred to as principal adverse impacts ("PAI").

Where possible and feasible and in line with the nature of the investments, a number of adverse impacts are structurally and systematically considered as part of this Fund's investment decision making. This consideration occurs before making investment decisions and thereafter as part of the Investment Manager's ongoing monitoring and management of that investment, where an investment is made.

The Investment Manager considers the following key PAIs in its decision making:

Impact on climate change:

- > Greenhouse Gas Emissions
- > Carbon footprint
- > Exposure to companies active in the fossil fuel sector

Impact on society:

- > Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- > Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)

Investment decisions result in more capital allocation to companies with improved PAI indicators as a result of the ESG data integration.

The Fund's annual financial statements will disclose how PAI have been considered on sustainability factors.

Further details on the principal adverse impacts can be found at [www.ilim.com](http://www.ilim.com).

No



## What investment strategy does this financial product follow?

The Fund is a passive product and follows the Index and is a high-risk fund. This Index is designed to deliver equity market returns with enhanced exposure to more sustainable companies and a better alignment to the low carbon transition economy. The Fund promotes environmental and social characteristics alongside other factors.

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

- ***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?***

The Investment Manager's Responsible Investment Framework is incorporated where possible into the Index which the Fund tracks. For the equity exposures, the following approach is applied within the Index which is detailed in the Investment Manager's Responsible Investment Framework as follows:

1. The Index excludes the securities of companies which exhibit poor behaviour (UN Global Compact Violators) and those involved in activities such as the manufacturing of Controversial Weapons and Tobacco.
2. The Index integrates security level ESG risk ratings and PAI indicators within the Investment Manager's equity investments to ensure a material improvement in these aggregate characteristics compared to broad market benchmark. These enhancements are achieved by overweighting securities that rank favourably across these metrics and underweighting laggards.

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

N/A

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

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

The Investment Manager utilises independent third party data providers to make assessments on governance practices in the companies which the Investment Manager invests. The Investment Manager assesses good governance practices in investee companies through a number of measures which include:

- > ESG Risk scores
- > alignment with the UN Global Compact
- > involvement in severe controversies.

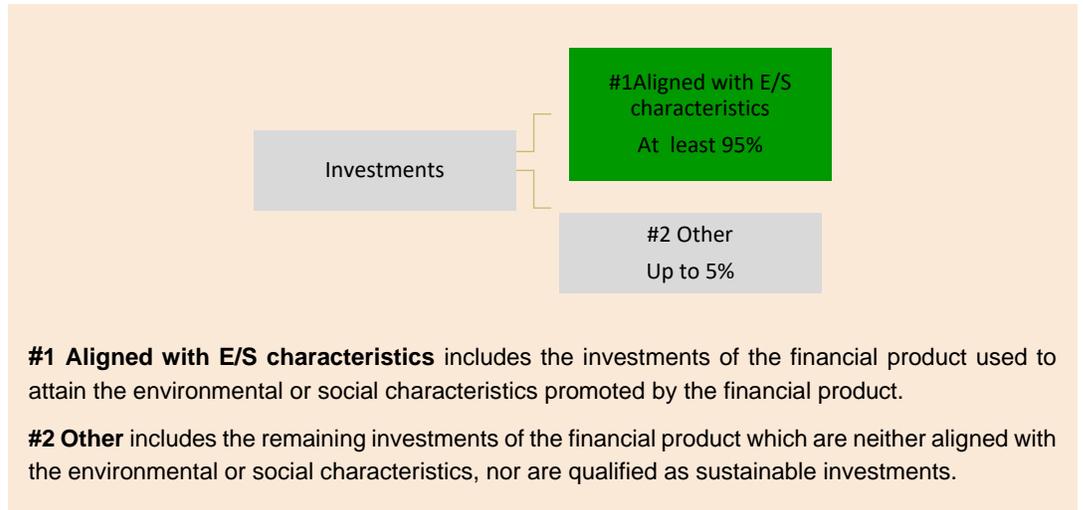


### **What is the asset allocation planned for this financial product?**

The Fund invests in emerging market equities and may carry a small cash balance for liquidity purposes. At least 95% of investments are expected to be allocated to assets which promote E/S characteristics and up to 5% may be allocated to "other" investments which may comprise of a small cash balance for liquidity purposes or equity derivatives. However,

in normal market conditions, the Investment Manager expects the investments used to meet the environmental and/or social characteristics is equal to circa 100%.

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



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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.



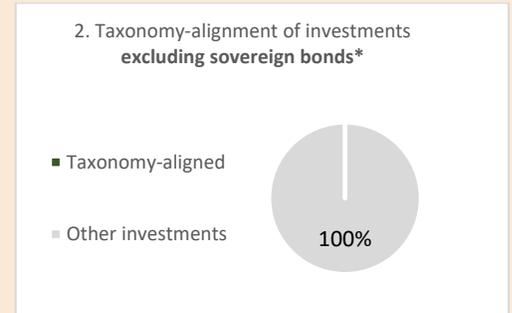
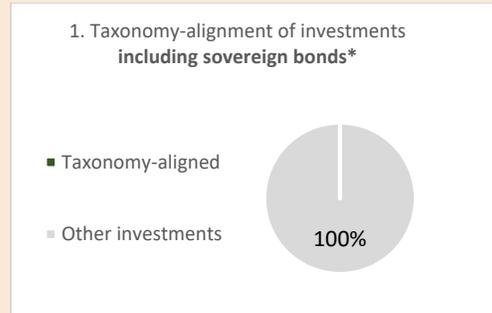
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Although the fund promotes environmental and social characteristics, as at the date of this document, it is expected that the minimum proportion of investments aligned with the EU Taxonomy criteria will be 0% of the net assets of the Fund.

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.

*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

### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A

In assessing whether an investment is considered to be in environmentally sustainable economic activities, the Investment Manager must be satisfied that the relevant economic activity (i) contributes substantially to the environmental objective of climate change mitigation or climate change adaptation, (ii) does not significantly harm any of the environmental objectives outlined in 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 Regulation (EU) 2019/2088 (the “Taxonomy Regulation”); (iii) is carried out in compliance with the minimum safeguards laid down in the Taxonomy Regulation and (iv) complies, as of the date of this Supplement, with the technical screening criteria relating to climate change mitigation and climate change adaptation (as applicable) set down in Commission Delegated Regulation 2021/2139 (EU).

The Investment Manager cannot currently satisfy itself that the investments within the portfolio meet the aforementioned criteria.



### **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 will invest in equities. The Fund may also invest in cash, equity derivatives such as future contracts and also FX derivatives such as FX forwards. Equity derivatives may be used to maintain or manage exposure to the market while managing the cash flows from subscriptions and redemptions into and out of the Fund more efficiently than by buying and selling transferable securities. The Fund will not generate synthetic short positions for investment purposes using financial derivatives. Given the nature of derivative investments, no minimum environmental or social safeguards can be applied. For cash holdings, no cash is held with banks which are on ILIM’s exclusion list



## 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?

The Index has been designated as a referenced benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics promoted by the Fund. The Fund follows a passive indexation strategy and aims to replicate the Index. The Index is designed by the Investment Manager in co-ordination with the benchmark provider, Solactive, and is designed to promote the environmental and/or social characteristics of the Fund.

**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?***

The Index is designed by the Investment Manager in co-ordination with the benchmark provider, Solactive, and is designed to promote the environmental and/or social characteristics of the Fund. It is a rules based benchmark which integrates ESG data to ensure the reference benchmark is continuously aligned with the environmental and/or social characteristics promoted by the Fund. Through the passive indexation strategy of the Fund, the Fund mimics the constituent weights of the Index.

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

The Fund follows a passive indexation strategy and aims to replicate the Index. As a result the investment strategy of the Fund is aligned with the methodology of the Index on a continuous basis.

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

The designated index promotes environmental and/or social characteristics due to the integration of ESG data. The broad market index does not consider the promotion of environmental and/or social characteristics and is weighted based on market capitalisation. The designated index is based on the constituents of the broad market index. Through a rules based methodology designed by the Investment Manager and applied by the benchmark provider to the broad market index, the designated index is formed. The broad market benchmark is the Solactive GBS Emerging Markets Large & Mid Cap Index.

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

The methodology pertaining to the Index is available at the below website link:

[https://solactive.com/downloads/Solactive\\_ILIM\\_Sustainable\\_Index\\_Family.pdf](https://solactive.com/downloads/Solactive_ILIM_Sustainable_Index_Family.pdf)

The methodology pertaining to the broad market benchmark is available at the below website link:

<https://solactive.com/downloads/Guideline-Solactive-GBS-Benchmark-Series.pdf>



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

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

[www.ilim.com/funds/ucits-funds/](http://www.ilim.com/funds/ucits-funds/)