

## **Barclays Autocall Fund**

### **Supplement to the Prospectus**

This Supplement contains information in relation to the Barclays Autocall Fund (the “**Fund**”), a sub-fund of Celsius Funds plc (the “**Company**”) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”).

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 27 July 2020 (the “Prospectus”), and must be read in conjunction with, the Prospectus.**

## **Celsius Funds plc**

An umbrella fund with segregated liability between the sub-funds

**Dated 17 December 2020**

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## **IMPORTANT INFORMATION**

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**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN SPECIFIC INVESTMENT NEEDS AND YOUR APPETITE FOR RISK.**

**The Fund intends to invest primarily in financial derivative instruments (“FDIs”) and may also invest in currencies and FDIs for efficient portfolio management purposes.**

**Although the Fund aims to provide you with medium to long term growth and can give better returns than putting your money in a bank account, you should understand that there is no assurance that the Fund will achieve its investment objective and you may not get back the money that you originally invested.**

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

**The risks attached to investments in an FDI are set out in the Prospectus under “Risk Factors” as well as in this document under the section “Other Information – Risk Factors”. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility.**

### **Profile of a Typical Investor**

**The typical investor for whom an investment in the Fund may be appropriate would be seeking exposure to equities, and capital appreciation or income over the medium to long term and who is prepared to accept a medium to high degree of volatility.**

### **Suitability of Investment**

Investment in the Fund will not be suitable for all investors. The Company, the Management Company or Barclays Bank PLC has not considered the suitability or appropriateness of this investment for your personal circumstances. If you are in any doubt about the suitability of this Fund to your needs you should seek appropriate professional advice.

**You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.**

The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

### **Responsibility**

The Directors of the Company accept full responsibility for the accuracy of the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors of the Company (who have taken all reasonable care and have made all reasonable enquiries to ensure that such is the case), the information contained in this Supplement when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the import of such information that would make any statement misleading.

## **General**

This Supplement sets out information in relation to each Class of Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

Copies of the Prospectus are available from the Administrator of the Fund, Northern Trust International Fund Administration Services (Ireland) Limited at George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus (other than to prior recipients of the Prospectus). The distribution of this Supplement and the offering or purchase of any Class of Shares may be restricted in certain jurisdictions.

Neither the Prospectus nor this Supplement constitutes an offer or an offer to the public, an invitation to offer or a recommendation to enter into any transaction, to participate in any trading strategy or to invest in any Fund or any other financial instrument in any jurisdiction in which such offer or solicitation is not permitted by the laws and regulations of such jurisdiction or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is not permitted by the laws and regulations of such jurisdiction to make such offer.

If you wish to apply to purchase any Class of Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile as well as any other requisite governmental or other consents or formalities which might be relevant to your purchase, holding or disposal of the Shares.

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## **DEFINITIONS**

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

**Adviser** means ABN AMRO Bank NV.

**Approved Counterparty** means for the purposes of this Fund one or more entities selected by the Investment Manager provided always that any such entity is, in relation to FDIs, an entity falling within a category permitted by the Central Bank and applicable regulations. For the avoidance of doubt, Barclays Bank PLC or any Affiliate of Barclays Bank PLC may be an Approved Counterparty.

**Autocallable Derivative Contracts** means unfunded or funded FDIs linked to underlying asset(s) that have a maximum term, with one or more opportunities to mature early, or 'Autocall' on certain dates with a fixed return, if the relevant underlying asset(s) that it observes is at or above a certain level, as are further described in the "Investment Policy" and "Use of FDIs" sections below.

**Autocallable Derivative Contract Strike Date** means the start date on which the level of the Underlying in such Autocallable Derivative Contract is observed.

**Autocall Trigger** means for each Autocallable Derivative Contract, the level above which the Underlying is required to be on the Observation Date for such Autocallable Derivative Contract to mature early or "Autocall".

**Business Day** means a day, other than a Saturday or a Sunday, on which (i) the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open; (ii) commercial banks and foreign exchange markets are open and settle payments (including dealings in foreign exchange and foreign currency deposits) in London, Dublin and New York; and (iii) the value of the Underlying are calculated and published in respect of that day.

**Calculation Agent** means the relevant Approved Counterparty.

**Coupon Barrier Level** means for each Autocallable Derivative Contract, the level above which the Underlying is required to be on the Observation Date for the expected return or "coupon" to be payable for such Autocallable Derivative Contract for such Observation Date.

**Disruption Event** means either a Market Disruption Event or a Force Majeure Event.

**Distributing Shares** means a Share Class with the designation "-D" in its name.

**FDI** means a financial derivative instrument, i.e. a transaction entered into by the Fund with an Approved Counterparty where the exposure is linked to the performance of a financial asset class, including but not limited to forwards, futures, Options, swaps (including Funded Swaps and Unfunded Swaps (as defined in the Prospectus), swaptions, Autocallable Derivative Contracts and contracts for difference and either transacted on an exchange or over the counter.

**Force Majeure Event** means an event or circumstance (including, without limitation, a system failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Investment Manager and that the Investment Manager (in its sole and absolute discretion) determines that such event or circumstance affects the Fund or any Fund Asset.

**Fund Assets** means any assets of the Fund, including any FDI and ancillary cash held by the Fund.

**Initial Notional Investment** means the notional amount invested in an Autocallable Derivative Contract on the Autocallable Derivative Contract Strike Date. **Market Disruption Event** means one or more of the following events which occur in relation to any Fund Asset, an Underlying or any underlying component, and such event is material as determined by the Investment Manager in its sole and absolute discretion:

- (i) it is not possible or practical to obtain a price or value (or an element of such price or value) or calculate the price or value of any Fund Asset, an Underlying or any underlying component (whether due to the non-publication of such price or value or otherwise);
- (ii) any suspension of, or limitation is imposed on, trading on any exchange, quotation system or over-the-counter market where any Fund Asset or any underlying component is traded; and/or a general moratorium is declared in respect of banking activities in the country in which any such exchange, quotation system or over-the-counter market is located; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset or any underlying component. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may constitute a Market Disruption Event;
- (iii) where the Fund Asset or any underlying component is not traded on any exchange, quotation system or other similar system, the Investment Manager is unable to obtain from dealers in such Fund Asset or underlying component firm quotations in respect thereof and/or liquidity in the market for the Fund Asset or underlying component (or any constituent thereof) is otherwise reduced or impaired;
- (iv) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency;
- (v) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Fund Assets into the Base Currency through customary legal channels;
- (vi) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment;
- (vii) a general moratorium is declared in respect of banking activities in London, Dublin or New York;
- (viii) the imposition of any limitation on investment into any underlying component or the trading of such underlying component on the relevant exchange due to a change in law or regulation, or a change in the rules of such exchange on which the underlying component is traded (including but not limited to the Dodd Frank Wall Street Transparency and Accountability Act of 2010 (Public Law 111–203, 124 Stat. 1376 (2010), or “Dodd-Frank Act”));
- (ix) the occurrence of an Underlying Index Disruption Event, which is not remedied, or is remedied in a manner which is materially detrimental to the interests of the Fund;

- (x) a change is made to the methodology, or an Underlying Index is modified (other than by way of regular rebalancing of underlying components), in a manner which is detrimental to the interests of the Fund; and
- (xi) an Underlying Index is suspended, cancelled or terminated by an Underlying Index Sponsor, or is no longer publicly available and the Investment Manager has not identified a suitable replacement.

**Memory Amount** means the coupon returns which were not payable on previous Observation Dates as the index level for the Autocallable Derivative Contract was below the Coupon Barrier Level on such Observation Dates, but which will be paid to the investor in the Autocallable Derivative Contract (i.e. the Fund) in the event that the index level is above the Coupon Barrier Level on one of the remaining Observation Dates.

**Money Market Instruments** means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time.

**Observation Date** means for each Autocallable Derivative Contract, an anniversary of its Autocallable Derivative Contract Strike Date up to and including the Autocallable Derivative Contract's maturity date.

**Portfolio** means the portfolio of Autocallable Derivative Contracts to which the Fund is actually exposed at any given time.

**Soft Protection Level** means for each Autocallable Derivative Contract, the level below which the relevant Underlying has to fall at maturity of the Autocallable Derivative Contract for the Autocallable Derivative Contract to return less than its Initial Notional Investment.

**Target Parameters** means the parameters detailed in the "Portfolio" section below.

**Underlying Indices** means the equity indices as further described in "Description of the Underlyings" below.

**Underlying** means the instruments detailed in the "Investment Policy" below.

**Underlying Index Business Day** means each such day in respect of which an Eligible Underlying Index is calculated and published in accordance with the rules of an Underlying Index.

**Underlying Index Disruption Event** means, with respect to an Underlying Index or any of its underlying components, the occurrence of one or more disruption events specified in the underlying index methodology and determined by an Underlying Index Sponsor in its sole discretion.

**Underlying Index Methodology Description** means the document or documents which describe the set of rules governing the underlying methodology, calculation and publication of an Underlying Index, as determined by an Underlying Index Sponsor, and as published and updated from time to time by an Underlying Index Sponsor on its website.

**Underlying Index Sponsor** means the sponsor of the relevant Underlying Index.

**Underlying Jurisdiction** means a jurisdiction listed the "Underlyings" section below.

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## **TERMS OF THE SHARES IN THE FUND**

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### **Investment Objective**

The Investment Objective of the Fund is to provide Shareholders with a return linked to the performance of a basket of Autocallable Derivative Contracts linked to equity indices or equity exchange traded funds ("**ETFs**").

There is no assurance that the Fund will achieve its Investment Objective. This Fund is neither principal protected nor is it guaranteed.

### **Investment Policy**

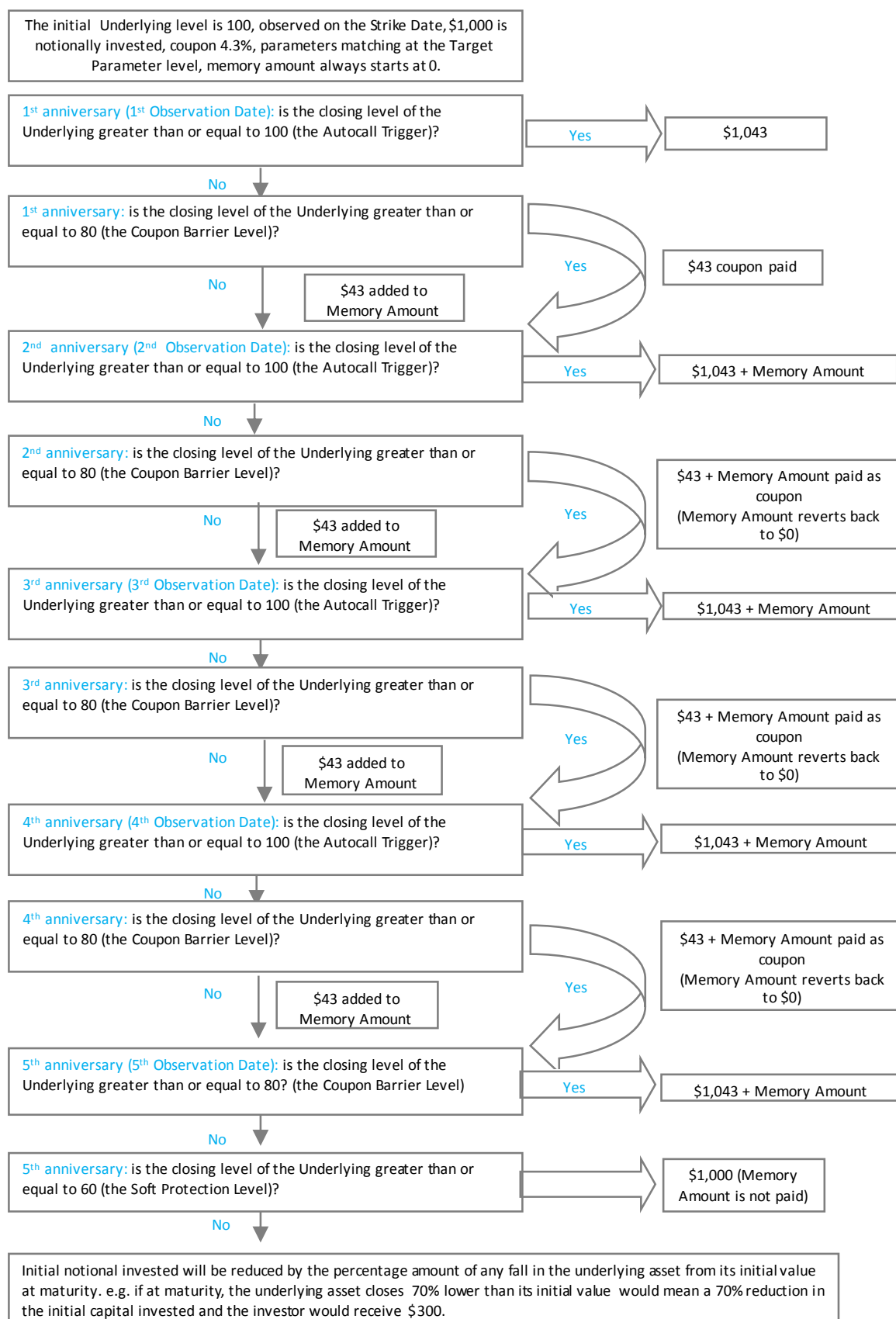
In order to achieve the investment objective, the Fund will invest in the portfolio of Autocallable Derivative Contracts on one or more underlyings (the "**Portfolio**"). The underlyings will provide equity exposure to specific regions (please refer to the "Underlying Jurisdictions" section below) and are either (a) equity indices constructed by reference to a region; or (b) ETFs investing in equities grouped on a regional basis (the "**Underlyings**"). The Investment Manager determines new Autocallable Derivative Contracts to be added to the Portfolio based on the risk management and diversification techniques as well as the non-binding advice from the Adviser, as further described in the Portfolio section below.

Each Autocallable Derivative Contract is designed to pay a fixed return if the relevant Underlying is at or above the Coupon Barrier Level on certain Observation Dates. Where the Underlying is below the Coupon Barrier Level on Observation Dates, the fixed return is not payable but will be "remembered" and added to the Memory Amount for future Observation Dates and will be paid if the relevant Underlying is at or above the Coupon Barrier Level on future Observation Dates in addition to the fixed return for such Observation Date (in which case the Memory Amount resets to zero). If the relevant Underlying is at or above the Autocall Trigger on the Observation Date, the Autocallable Derivative Contract pays the fixed rate of return, and matures early or is "Autocalled". The fixed return that can be achieved for an Autocallable Derivative Contract will depend on the prevailing market conditions, interest rates and the volatility of the Underlying for such Autocallable Derivative Contract. Further details on the particulars of the Autocallable Derivative Contracts are set out in the "Portfolio" section below.

An Autocallable Derivative Contract provides for a Soft Protection Level at maturity, whereby the underlying asset can fall a certain percentage before the final return of capital starts to be reduced. If the Autocallable Derivative Contract reaches its full term without being Autocalled, and the Underlying is not below the Soft Protection Level, the initial amount invested in the Autocallable Derivative Contract is protected and the negative performance of an Underlying is not reflected in the returns of the Autocallable Derivative Contract. If the Underlying closes below the Soft Protection Level at maturity, the Autocallable Derivative Contract will reflect the negative performance of such Underlying, and in extreme cases (i.e. when the Underlying falls to zero) all amounts invested in such Autocallable Derivative Contract may be lost.

The use of Autocallable Derivative Contracts to generate a fixed return (as described in the second paragraph of this section above) and offer some downside protection is likely to mean that the Fund will sacrifice some of the potential upside return. Downside protection means that in some circumstances where the price of an Underlying falls, the Net Asset Value may not fall as much. This means that in some circumstances where the price of an Underlying rises, the Net Asset Value may not rise as much, or at all.

Please refer to the example below for an illustrative example of an Autocallable Derivative Contract with a 5 year maturity date.





In order to achieve the investment objective, the Fund shall invest in Autocallable Derivative Contracts with Approved Counterparties linked to an Underlying. Where the Fund enters into Autocallable Derivative Contracts, it may invest any remaining cash in Money Market Instruments. The Fund shall enter into the Autocallable Derivative Contracts and Money Market Instruments at the discretion of the Investment Manager. FDIs entered into by the Fund and the risks attaching to same are more fully described under "Use of FDIs" and "Other Information – Risk Factors" below, and also in the Prospectus under "Risk Factors". The Fund may also invest in currencies and FDIs as further described under "Efficient Portfolio Management" below, and may also hold ancillary cash positions.

Where an Autocallable Derivative Contract is Autocalled, or a coupon is paid, the Investment Manager will invest the funds into one or more new Autocallable Derivative Contracts. The new Autocallable Derivative Contracts will be determined in accordance with the process described in the Portfolio section below and as such, the Autocallable Derivative Contracts may be linked to any Underlying. In accordance with the Risk Management Section described under "The Portfolio" below, the Investment Manager may delay reinvestment and the Fund may invest any cash in Money Market Instruments

The Investment Manager may in certain circumstances determine to reduce the allocation to the Portfolio. In such a case, the Fund may also invest in Money Market Instruments and exchange traded notes or certificates as further described in the "General Description of the Underlying" section below.

Where the Fund may be invested in Money Market Instruments, such instruments will be rated, or issued by or deposited with an entity rated, at least "A-" by Standard and Poor's or equivalent. Money Market Instruments include, but are not limited to, short term fixed and floating rate government bonds, deposits, commercial paper and certificates of deposit.

With the exception of permitted investment in unlisted investments and over-the-counter FDIs, investments by a Fund will be restricted to securities and FDIs listed or traded on permitted markets as set out in Appendix I of the Prospectus.

## **The Portfolio**

The Investment Manager will determine which Autocallable Derivative Contracts to invest in and will manage the Portfolio with the aim of gaining exposure to a basket of Autocallable Derivative Contracts based on the "Target Notional Allocations" described in section (a) below. The Adviser will suggest Target Notional Allocations and Target Parameters as advice to the Investment Manager based on their research outlook for the equity markets across multiple jurisdictions. The Investment Manager will use a systematic method, i.e. applying investment targets based on their review of the advice from the Adviser, and will also apply a discretionary risk review based on analysis of the costs, diversification risk and timing of an investment, to select Autocallable Derivative Contracts to be added to the Portfolio. The Investment Manager will also apply a discretionary risk management approach when managing the Portfolio further described below in "Ongoing Discretionary Risk Management" in section (f) below. The Portfolio construction will occur in the following stages:

### **(a) Determination of the Target Notional Allocation for each Underlying Jurisdiction:**

The Adviser will suggest the Target Notional Allocation for each Underlying Jurisdiction for new investments in Autocallable Derivative Contracts. For the avoidance of doubt the Target Notional Allocation for an Underlying Jurisdiction can be (0%) zero. The Target Notional Allocations suggested are based on the Adviser's equity research team's determination of the equity market conditions in the relevant Underlying Jurisdiction (as are detailed in the table in the "Underlyings" section below). The research team of the Adviser applies quantitative and qualitative (including applying certain environmental, social and governance restrictions, whereby screens are applied to exclude certain non-sustainable or unethical investments, such as controversial weapons, tobacco and coal mining) analysis on both macroeconomic and microeconomic levels. Where the Adviser's research has a positive outlook for an Underlying Jurisdiction, there would be a higher recommended target allocation to such Underlying

Jurisdiction; where their outlook is more negative, there would be a lower recommended target allocation to the Underlying Jurisdiction.

The Target Notional Allocation linked to each Underlying Jurisdiction will be formulated in accordance with the following maximum allocations based on its jurisdiction group, the minimum for each jurisdiction group is 0%.

Jurisdiction Group	Allocation Maximum
Europe	100%
USA	100%
Emerging Markets	15%
Asia	15%

(b) Determination of the Underlying to represent the Underlying Jurisdiction:

The Investment Manager will determine the Underlying to be used for each Autocallable Derivative Contract. The Underlying will be determined based on an analysis of how fully it represents the Underlying Jurisdiction. The Investment Manager generally intends to utilise ETFs as the Underlying where there is limited availability of Autocallable Derivative Contracts with Underlying Indices that represent the relevant Underlying Jurisdiction. The Underlying will be selected on the basis of (a) an analysis of the return that would be available when investing in an Autocallable Derivative Contract on such Underlying, and (b) an assessment of the risk of investing in an Autocallable Derivative Contract on such Underlying (e.g. if a specific Underlying Index or ETF is more likely to breach the Soft Protection Level) based on an analysis of factors including volatility and diversification (taking into account the current Fund Assets). The Investment Manager will aim to maximize the return available while ensuring that the Underlying represents the relevant Underlying Jurisdiction.

(c) Determination of the Target Parameters for each Autocallable Derivative Contract:

A set of Target Parameters have been prepared based on the long term risk and return characteristics of Autocallable Derivative Contracts (the “Base Target Parameters”). However, risk and return characteristics of the level of each parameter can change over time in a given Underlying Jurisdiction. As such, the Adviser recommends Target Parameters on an Underlying Jurisdiction basis, determined dynamically based on the risk and return characteristics of the parameters in such Underlying Jurisdiction on an ongoing basis from within a range. The range of the Target Parameters (with the Base Target Parameters in brackets) are as follows:

- Autocall Trigger: 90%- 110% (100%) of the level of the Underlying on the Autocallable Derivative Contract Strike Date.
- The Coupon Barrier Level: 70%-100% (80%) of the level of the Underlying on the Autocallable Derivative Contract Strike Date.
- The Soft Protection Level: 50%- 70% (60%) of the level of the Underlying on the Autocallable Derivative Contract Strike Date.
- Initial Maturity: 3 years to 7 years (5 years)

For the avoidance of doubt, the Investment Manager reviews the recommended Target Parameters based on the risk and return characteristics of each parameter and retains full discretion over the Target Parameters.

(d) Determination of the Notional Allocation for Underlying:

When making new investments the Investment Manager determines the available notional amount to allocate to new Autocallable Derivative Contracts and the portion of the available notional amount which should be allocated to each Underlying. The actual allocations are typically made to new Autocallable Derivative Contracts with available notional amounts to minimise the difference between the Target Notional Allocations and the overall Fund allocations. The Investment Manager has discretion to vary such allocations based on analysis of the cost and the benefit of such allocations, in order to manage costs and prevent uneconomical small positions in any Autocallable Derivative Contract but such variance between Target Notional Allocations and actual allocations is expected to be within 10% in normal market conditions.

The Portfolio of Autocallable Derivative Contracts will not always be rebalanced to reflect any change in Target Notional Allocations (given the cost and benefit analysis explained above) and therefore the Portfolio may substantially differ from the Target Notional Allocations.

(e) Determination of Number of Autocallable Derivative Contracts linked to each Underlying:

The Investment Manager may split the notional linked to one or more Underlyings into two or more new Autocallable Derivative Contracts to diversify across two or more Approved Counterparties, and may delay the timing of an investment into a new Autocallable Derivative Contract with the aim of avoiding concentration of risk to a single set of Observation Dates. The benefits of diversification across Autocallable Derivative Contract Strike Dates will be considered alongside cost management and the prevention of uneconomically small positions in any Autocallable Derivative Contract.

(f) Determination of the Parameters of each of the Autocallable Derivative Contract:

The Investment Manager systematically applies the Target Parameters to each Autocallable Derivative Contract. The Investment Manager has discretion to vary the parameters of each Autocallable Derivative Contract based on risk and return analysis. The deviation from the parameters aims to mitigate the risk of multiple Autocallable Derivative Contracts simultaneously breaching their respective Soft Protection Levels whilst maintaining the returns available via the Autocallable Derivative Contracts. The risk management approach may lead to deviation from the Target Parameters for one or more Autocallable Derivative Contracts (which is expected to be within 10% of the Target Parameters in normal market conditions).

(g) Ongoing Discretionary Risk Management

The Investment Manager reviews the holdings in the Autocallable Derivative Contracts and applies ongoing discretionary risk management with the aim of preventing losses that would occur if an Autocallable Derivative Contract falls below the Soft Protection Level at maturity. The Investment Manager may amend / exit investments in the case of extreme market movements or if extreme market movements are expected to be more likely due to the market environment. The cost of any amendments or unwind of investments will be considered against the risk of holding that investment when applying this discretion.

As further described below, the Adviser may provide advice in respect of implementing the ongoing discretionary risk management approach including when there are extreme market movements and during abnormal market conditions where amendments or unwinds may take place.

## **Underlyings**

The Fund will invest in the Portfolio of Autocallable Derivative Contracts on one or more Underlyings as further described below.

(a) Underlying Indices

The Autocallable Derivative contracts will be linked to financial indices (the "**Underlying Indices**"). Any such Underlying Indices will be equity indices representing an Underlying Jurisdiction, determined by the Investment Manager (pursuant to the assessment of equity market conditions described in "The Portfolio" section above) to assist in reaching the investment objective of the Fund.

The re-balancing frequency of the Underlying Indices will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any re-balancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Detailed descriptions of the rules governing each of the Underlying Indices (including their methodologies, constituents, relevant weightings of components and re-balancing frequency) are available to investors upon request from the Investment Manager. Information on the Indices will be disclosed in the annual/semi-annual accounts of the Company. If the Investment Manager becomes aware that the weighting of any particular stock in an Index exceeds the permitted investment restrictions, the Investment Manager will seek to either unwind that particular position or reduce the Fund's exposure to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the Central Bank and the UCITS Regulations.

(b) Underlying ETFs

The Autocallable Derivative contracts will be linked to ETFs. Any such ETF will invest in equities in one of the Underlying Jurisdictions detailed below, determined by the Investment Manager (pursuant to the assessment of equity market conditions described in "The Portfolio" section above) to assist in reaching the investment objective of the Fund.

The ETFs to which the Fund may have exposure will be regulated and will not have annual management fees in excess of 1% of their respective net asset values. The Fund will indirectly bear these fees in its capacity as an investor in such ETFs. The Fund may indirectly invest (through Autocallable Derivative Contracts) over 20% of its Net Asset Value in such ETFs.

(c) Underlying Jurisdictions:

<b>Underlying Jurisdiction</b>	<b>Jurisdiction Group</b>
Eurozone	Europe
Europe	Europe
France	Europe
Germany	Europe
Italy	Europe
UK	Europe
Spain	Europe
USA	USA
Japan	Asia
Hong Kong	Asia
Emerging Markets	Emerging Markets

### **Adviser**

In constructing and maintaining the Portfolio, the Investment Manager will receive non-discretionary advisory input from the Adviser. This non-binding advice will relate to the determination of the Target Notional Allocations and the Target Parameters, and the implementation of the discretionary risk management of the Portfolio described in section (g) of the "Portfolio" section above.

For the avoidance of doubt, the Investment Manager retains full discretion in respect of the Portfolio and has absolute discretion to reject any such recommendations provided by the Adviser.

The Adviser is not in any way responsible for the management of the investments of the Fund (discretionary or otherwise) and is not acting in a fiduciary capacity to the Fund or Shareholders of the Fund, nor does the Adviser provide investment management services and/or any form of discretionary services to the Fund or any Shareholder.

### **Valuation**

The Fund Assets will be valued at the Valuation Point on each Dealing Day in order to determine the Net Asset Value of the Fund in accordance with the rules set out in the Prospectus.

Further information relevant to the Fund's investment policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".

### **Investment Restrictions**

The general Investment Restrictions set out in the Prospectus apply to this Fund.

### **Leverage Policy**

The Company employs an absolute value-at-risk (Absolute VaR) based approach as part of its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the FDI used by the Fund. Calculated based on the sum of the

gross notionals of the derivatives used in accordance with the requirements of the Central Bank, the exposure to Autocallable Derivative Contracts is expected to be approximately between 80% and 120%, and will not exceed 130% of the total value of the Fund's assets. The Fund will not borrow for investment purposes.

### **Use of FDIs**

The Fund will be exposed to the Underlyings via FDIs entered into with an Approved Counterparty, namely through Autocallable Derivative Contracts.

Autocallable Derivative Contracts are swaps which provide returns which are equivalent to buying a basket of options and selling a put option, on an underlying asset, in this case an Underlying.

The basket of options are contracts sold for a premium that give to the buyer a fixed monetary amount if the value of a particular asset (or financial instrument) is above a pre-agreed specified price. Put options are contracts sold for a premium that give the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a pre-agreed specified price.

The options included allow the notional amount to be protected if the Underlying is above the Soft Protection Level at maturity. If the Underlying is below the Soft Protection Level, then the options included provide returns that equate to the actual performance of the Underlying (i.e. if the Underlying is reduced by 50%, the investment also reduces by 50%). Unlike individual call or put options, an Autocallable Derivative Contract does not provide the right for the holder of the contract to buy or sell the Underlying at each Observation Date.

The relevant Approved Counterparty and the Fund have entered into an OTC derivative trading agreement and will enter into confirmations which will govern the FDIs including provisions relating to the termination of such contracts.

The relevant Approved Counterparty to the FDIs may be required under the terms of the OTC derivative trading agreement to provide collateral to the Fund so that the Fund's risk exposure to the relevant Approved Counterparty is reduced to the extent required by the Regulations and Central Bank Rules.

FDIs may be terminated early on the occurrence of certain events with respect to either the Fund or an Approved Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not the fault of either party, for example, illegality or a tax event) or a disruption event. In such case the FDI will be settled for an amount as set out in the OTC derivative trading agreement. The Fund may then enter into new FDIs with other Approved Counterparties in order to gain exposure to an Underlying.

Other risks associated with FDIs are further set out in the section "Risk Factors".

The value of the FDIs may vary due to restrictions imposed on the hedging instruments and changes or modifications in the hedging instrument and may be terminated or otherwise cancelled in each case in accordance with its terms.

### **Securities Financing Transactions**

The Fund may use repurchase/reverse repurchase agreements and securities lending (i.e. Securities Financing Transactions) in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. There is no restriction on the proportion of assets that may be subject to Securities Financing Transactions. The Fund will enter into repurchase, reverse repurchase agreements and stock lending agreements in respect of Money Market Instruments for efficient portfolio management purposes (for example the Fund expects to use repurchase/reverse repurchase agreements

in order to facilitate the posting of collateral required to be held by the Fund in respect of the Autocallable Derivative Contracts, given such contracts may have a maturity of up to 7 years, holding cash collateral for the duration of such contracts would be inefficient) within the conditions and limits laid down by the Central Bank from time to time and as further described in the Prospectus. Therefore, the maximum and expected proportion of the Fund's assets that may be subject to Securities Financing Transactions is 100%. In any case the most recent semi-annual and annual report of the Fund will express as an absolute amount and as a percentage of the Fund's assets the amount of Fund assets subject to Securities Financing Transactions.

### **Risk Management Policy**

**The Management Company has filed with the Central Bank of Ireland a risk management policy in respect of the Fund which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI's. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.**

### **Efficient Portfolio Management**

The Fund may employ techniques and instruments relating to efficient portfolio management purposes as further described below and in the "Efficient Portfolio Management" section of the Prospectus.

#### *Currency Hedging*

In respect of Share Classes A3-USD, B3-EUR, C3-GBP, A4-USD, B4-EUR, C4-GBP, A3-USD-D, B3-EUR-D, C3-GBP-D, A4-USD-D, B4-EUR-D, and C4-GBP-D the Fund does not intend to hedge the impact of fluctuations in currency exchange or FX rates where Fund Assets are in currencies different to the currency of the respective Share Classes.

In respect of Share Classes A1-USD, B1-EUR, C1-GBP, A2-USD, B2-EUR, C2-GBP, A1-USD-D, B1-EUR-D, C1-GBP-D, A2-USD-D, B2-EUR-D, and C2-GBP-D the Fund intends to utilise FDI's, including but not limited to currency forwards, to mitigate the impact of fluctuations in currency exchange or FX rates where Fund Assets are in currencies different to the currency of the respective Share Classes. All such FDI's will be attributable to a specific Share Class. Any FDI could expose the Fund to Approved Counterparty credit risk. The Investment Manager intends to hedge fully the exposure of each such Share Class, however over-hedged or under-hedged positions may arise. Further information in respect of currency hedging is contained in the Prospectus in the "Currency Hedging" section.

### **Consequences of Disruption Events**

Upon the occurrence of a Disruption Event (and without limitation to the Directors' general powers as further described in the Prospectus):

- (i) the Directors may, with the approval of the Depositary and with care and in good faith, make adjustments to determine the value of any of the Fund Assets. The Net Asset Value may be affected by such adjustment; and/or
- (ii) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares in accordance with the provisions of the Prospectus under the section "Suspension of Calculation of the Net Asset Value"; and/or
- (iii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

## Subscription Price and Repurchase Price

The Subscription Price and the Repurchase Price of a Share on a Dealing Day is the Net Asset Value per Share of the relevant Class on the relevant Dealing Day as adjusted by any applicable Exchange Charge or Repurchase Charge (as set out in the table below) and by other fees and expenses as set out below.

The Net Asset Value per Share will differ on each Dealing Day due to: (a) the value of the Fund Assets increasing or decreasing over time by reference to the performance of the Portfolio; (b) accrual of fees and expenses in relation to the Fund over time; (c) dealing charges, taxes and other similar costs and spreads from buying and selling prices of the Fund Assets; and (d) payments of any dividend.

The Subscription Price or the Redemption Price of a Share may be adjusted in accordance with the Anti-Dilution Levy as defined in the Prospectus. Where there is no dealing in the Fund or a specific Class of Share on the relevant Dealing Day, the Subscription Price or the Repurchase Price will be the unadjusted Net Asset Value per Share of the relevant Share Class rounded off to such number of decimal places as the Directors deem appropriate.

## Voting Rights

Voting rights are attached to the shares of all Classes.

## Borrowings

In accordance with the general provisions set out in the Prospectus under the heading "FUNDS – Borrowing and Lending Powers", the Company on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. The Fund will not borrow for investment purposes.

## Dividend Policy

In respect of Distributing Shares, the Directors intend, although this is not guaranteed, to declare dividends semi-annually as of the 31 May and 30 November each year (each a "**Distribution Date**") out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses ("**Net Income**").

The Directors are obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to an investor in the Fund who is or is deemed to be an Irish resident or is acting on behalf of such a person and pay such sum to the Revenue Commissioners in Ireland.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid at the expense of the payee and will be paid within ten (10) Business Days of the date the Directors declared the dividend.

Shareholders should note that any dividend income being paid out by the Fund and held in the relevant Subscriptions/Repurchases Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the Fund.

Shareholders should also refer to the section of the Prospectus entitled "Dividend Policy".



## General Information Relating to the Fund

<b>Base Currency</b>	EURO ("EUR").
<b>Type</b>	Open-ended.
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Deadline</b>	11 a.m. (Dublin time) on the Business Day immediately prior to the relevant Dealing Day.
<b>Subscriptions and Repurchases</b>	All subscriptions and repurchases may only take place through the Distributor or an appointed Sub-Distributor.
<b>Minimum Fund Size</b>	EUR 10 million.
<b>Valuation Point</b>	The close of business in New York on the relevant Dealing Day by reference to which the Net Asset Value per Class of Share of the Fund is determined.
<b>Settlement Date</b>	Three (3) Business Days after the relevant Dealing Day.

## Description of the Shares

Share Classes	"A1-EUR"	"B1-USD"	"C1-GBP"	"A2-EUR"	"B2-USD"	"C2-GBP"
<b>ISIN Code</b>	IE00BJP0 C345	IE00BJP0 C451	IE00BJP0 C568	IE00BJP0 C675	IE00BJP0 C782	IE00BJP0 C899
<b>Initial Issue Price per Share</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Currency Hedging</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Minimum Initial Investment</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Limitations on Subscriptions</b>	None	None	None	None	None	None
<b>Limitations on Redemptions</b>	None	None	None	None	None	None

Share Classes	"A3-EUR"	"B3-USD"	"C3-GBP"	"A4-EUR"	"B4-USD"	"C4-GBP"
<b>ISIN Code</b>	IE00BJP0 C907	IE00BJP0 CB26	IE00BJP0 CC33	IE00BJP0 CD40	IE00BJP0 CF63	IE00BJP0 CG70
<b>Initial Issue Price per Share</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Currency Hedging</b>	No	No	No	No	No	No
<b>Minimum Initial Investment</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00

<b>Limitations on Subscriptions</b>	None	None	None	None	None	None
<b>Limitations on Redemptions</b>	None	None	None	None	None	None

<b>Share Classes</b>	<b>“A1-EUR-D”</b>	<b>“B1-USD-D”</b>	<b>“C1-GBP-D”</b>	<b>“A2-EUR-D”</b>	<b>“B2-USD-D”</b>	<b>“C2-GBP-D”</b>
<b>ISIN Code</b>	IE00BMY DBJ48	IE00BMY DBK52	IE00BMY DBL69	IE00BMY DBX81	IE00BMY DBY98	IE00BMY DBZ06
<b>Initial Issue Price per Share</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Currency Hedging</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Minimum Initial Investment</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Limitations on Subscriptions</b>	None	None	None	None	None	None
<b>Limitations on Redemptions</b>	None	None	None	None	None	None

<b>Share Classes</b>	<b>“A3-EUR-D”</b>	<b>“B3-USD-D”</b>	<b>“C3-GBP-D”</b>	<b>“A4-EUR-D”</b>	<b>“B4-USD-D”</b>	<b>“C4-GBP-D”</b>
<b>ISIN Code</b>	IE00BMY DC027	IE00BMY DC134	IE00BMY DC241	IE00BMY DC357	IE00BMY DC464	IE00BMY DC571
<b>Initial Issue Price per Share</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Currency Hedging</b>	No	No	No	No	No	No
<b>Minimum Initial Investment</b>	EUR 100.00	USD 100.00	GBP 100.00	EUR 100.00	USD 100.00	GBP 100.00
<b>Limitations on Subscriptions</b>	None	None	None	None	None	None
<b>Limitations on Redemptions</b>	None	None	None	None	None	None

The Initial Issue Period, during which the Shares in unlaunched classes will be available for subscription at the Initial Issue Price per Share will commence at 9.00 a.m. on 18 December 2020 and end at 5.00 p.m. on 14 May 2021 unless otherwise determined by the Directors in their absolute discretion.

### **Fees and Expenses**

The following fees will be incurred on each subscription and redemption of Shares by

Shareholders (which accordingly will not affect the Net Asset Value of the Fund) for each Share Class of the Fund:

<b>Exchange Charge*</b>	No charge
<b>Repurchase Charge*</b>	No charge

\* Payable to the Distributor or Sub-Distributor

The following fees and expenses will be incurred by the Fund and will reduce the Net Asset Value of each Share Class of the Fund.

<b>Management Fee <sup>1</sup></b>	Up to 1% of NAV per annum
<b>Fixed Fee <sup>2</sup></b>	0.15% of NAV per annum

<sup>1</sup> A percentage of the Net Asset Value of the relevant Share Class (plus value added tax, if any), is payable by the Company out of the Fund Assets to the Management Company as a Management Fee. The Management Fee will accrue daily and be calculated on each Dealing Day. The Management Company will then pay any fees and out-of-pocket expenses due to the Investment Manager, Distributor or Sub-Distributors out of its Management Fee. The Management Company shall be reimbursed out of the assets of the Fund for its out-of-pocket expenses.

The Management Company may instruct the Company to pay any such fees and out-of-pocket expenses payable to the Investment Manager, Distributor or Sub-Distributor, directly out of the assets of the Company. In such case, the Management Fee due to the Management Company will be reduced accordingly.

The Management Company may, from time to time, decide to waive or rebate all or any portion of the Management Fee in relation to a Share Class or the Fund generally and/or absorb some or all other expenses in its absolute discretion for any period of time.

<sup>2</sup> A percentage of the Net Asset Value of the relevant Share Class is payable by the Company for the Fund as a Fixed Fee in respect of the ordinary fees, expenses and costs incurred by the Fund (including the Administrator's fees, the Depositary's fees, and other applicable fees and expenses as set out in the Prospectus in the "Fees and Expenses" section). The Fixed Fee is separate from the Management Fee, the Transaction Fees and Extraordinary Expenses as well as any costs in respect of the termination of the Fund. The Fixed Fee is payable by the Company out of the Fund in respect of the ordinary fees, expenses and costs incurred by the Fund that includes the Setting Up Costs as further described in the Prospectus.

### **Transaction Fees**

In this Fund Transaction Fees shall mean any costs in respect of buying and selling any of the Fund Assets, including, but not limited to, all trading and administrative costs of entering into the FDIs, (including the fees of each Approved Counterparty to provide exposure to an Underlying) transactional charges, collateral costs, brokerage charges, commissions, bid-offer spreads and licensing fees.

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

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## **OTHER INFORMATION**

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### **Risk Factors**

Certain risks relating to the Shares are set out under the heading "Risk Factors" in the Prospectus. In addition, Shareholders should note below.

**AN INVESTMENT IN THE SHARES OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD READ AND CONSIDER THE RISK FACTORS SET OUT IN THE PROSPECTUS AND THOSE SET OUT BELOW BEFORE DECIDING WHETHER TO INVEST IN THE FUND. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.**

### **General Market Risks**

- (a) The Net Asset Value of Shares in the Fund may fluctuate from time to time. **Investors may sustain complete loss on the invested capital.**
- (b) The Funds' Assets are exposed to general market movements and trends in equities, which may be affected by irrational factors. Such factors may lead to a significant and continuous decline in prices in respect of the Fund Assets.
- (c) The return that Shareholders of a particular Share Class will receive will be dependent on the performance of the Fund Assets including any ancillary cash held by the Fund and the exchange rate movements between the Base Currency of the Fund and the currency of the relevant Share Class. Consequently, the return that Shareholders will receive from investing in that Share Class may not wholly correspond to the performance of an Underlying alone.

### **Index Risks**

- (d) The value of an Underlying Index could be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations (including, without limitation, those relating to taxes and duties on any index) by one or more governments, governmental agencies or instrumentalities, courts or other official bodies. Such changes may affect the value of the Fund Assets, and consequently of the Fund, and may lead to a Disruption Event.
- (e) An Underlying Index may be terminated or modified in a manner due to which, an Underlying Index Sponsor may determine, in their sole discretion to substantially modify an Underlying Index rules or even terminate an Underlying Index. Such an event may materially affect the value of Fund Assets, and consequently the Net Asset Value per Share. Consequently, the Directors may choose to terminate the Fund.
- (f) The eligibility of an Underlying Index for the Fund could be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations by the Central Bank one or more governments, governmental agencies or instrumentalities, courts or other official bodies. In such case, the Fund may be terminated.
- (g) An Underlying Index Sponsor may make adjustments to, modify or terminate an Underlying Index due to the continued occurrence of Underlying Index Disruption Events and Force Majeure Events. Such an event may materially affect the value of Fund Assets, and consequently the Net Asset Value per Share. Consequently, the Directors may choose to terminate the Fund.

- (h) While an Underlying Index Sponsor currently employs the methodology ascribed to an Underlying Index (and application of such methodology shall be conclusive and binding), no assurance can be given that market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any underlying component within an Underlying Index) will not arise that would, in the view of an Underlying Index Sponsor, necessitate an adjustment, modification or change of such methodology. An Underlying Index Sponsor may also, in its sole and absolute discretion, at any time and without notice, adjust, suspend or terminate an Underlying Index. An Underlying Index Sponsor is also under no obligation to continue the calculation, publication and dissemination of an Underlying Index. Any such adjustment, suspension, termination or non-publication may have a negative impact on the Swaps and consequently, also on the Fund.
- (i) An Underlying Index may be only recently established and therefore have no history to evaluate its likely performance.
- (j) An Underlying Index is not intended to predict actual results and no assurances are given with respect thereto.
- (k) An Underlying Index is subject to certain extraordinary and force majeure events, including, but not limited to, any modification to, or cancellation of, an Underlying Index or any elimination or exchange of any index component or constituent, the consequences of which may have a negative impact upon the performance of an Underlying Index.
- (l) Whilst an Underlying Index Methodology Description is intended to be comprehensive, ambiguities may arise. In such circumstances an Underlying Index Sponsor will resolve such ambiguities in good faith and in a reasonable manner and, if necessary, amend an Underlying Index Methodology Description to reflect such resolution.
- (m) Any increase or fall in the level of the Underlying Index at any time or on any date other than the official closing level on the applicable Observation Date will not be reflected in the determination of whether a return is payable by the Autocallable Derivative Contract. There can be no assurance that the Underlying Index level on any Observation Date will reflect the then-prevailing trend (if any) for the level of the Underlying Index or the market price for the components of the Underlying Index.
- (n) The Underlying Index may go down as well as up. Furthermore, the level of the Underlying Index may not reflect its performance in any prior period. The level of the Underlying Index at any time does not include the reinvestment of the yield on the components of the Underlying Index. Dividends paid to holders of components of the Underlying Index will not be reflected in the Autocallable Derivative Contract return or paid to the Company for the account of the Fund or the holders of Shares of any Class. Consequently, the investment return on the Shares may be less than the return from a direct investment in the components of the Autocallable Derivative Contract.
- (o) Prospective investors should understand that the "investments" made in the Underlying Index and in each of the components of the Underlying Index are notional investments, each with no separate legal personality, and that adjustments to the level of investment in them will be made solely in books and records kept on behalf of the Underlying Index Sponsor. In particular, investors should understand that a notional investment in, or notional exposure to, the Underlying Index is not an investment in the components themselves and that, although the performance of the components will impact the performance of the Strategy and therefore the value of the Shares, the components and the Shares are separate and distinct.
- (p) The Net Asset Value of the Shares will therefore be impacted by the change in value of the Autocallable Derivative Contract. Factors that could impact the value of Autocallable Derivative Contracts include conditions in equity markets, interest rates,

dividends, volatilities (realised and implied by the market), supply and demand factors and such other modelling and quantitative assumptions that the Approved Counterparty and/or the market may take into consideration when valuing derivatives.

- (q) Prospective investors should investigate and be satisfied that they sufficiently understand and accept the market risk associated with an actual investment in any components of the Underlying Index, and should appreciate that though the Shares do not create an actual interest in any components, an investment in the Shares attracts many of the same associated risks as an actual investment. Prospective investors should be aware that they should have such knowledge and experience in financial and business matters and expertise in assessing market risk that they are capable of evaluating the merits, risks and suitability of such an investment.

### ***Investment Risks***

- (r) The performance of the Fund Assets will be net of costs associated with trading the Fund Assets including, but not limited to, dealing charges, bid/offer spreads, funding spreads, unwinding costs related to derivatives and similar costs associated with getting exposure to the Fund Assets.
- (s) The investment decisions of any underlying ETFs are made by their own investment managers or advisors; such investment decisions are independent from the Investment Manager's investment decisions for the Fund. The Investment Manager does not take responsibility for the investment decisions made by the investment managers or advisors of any underlying ETFs.
- (t) There is no guarantee that the investment objective of any fund (including underlying ETFs) will be achieved. In particular, no financial instrument enables the returns of any Index to be reproduced or tracked exactly. Changes in the investments of any fund and re-weightings of the relevant index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a fund's tracking of the performance of an Underlying. Furthermore, the total return on investment will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable index. Moreover, in the event of a temporary suspension or interruption of trading in the investments comprising an index, or of market disruptions, re-balancing the fund's investment portfolio may not be possible and may result in deviations from the return of an index.
- (u) The Underlying will notionally invest in equity securities. The value of equity securities of a company may fall as a result of factors relating directly to such company (for example, decisions made by the company's management or lower demand for the company's products or services). The value of equity securities may also fall because of factors which affect not only the company but also companies in the same industry or in a number of different industries, such as increases in production costs. Changes in financial markets that are unrelated to a company or industry (such as changes in interest rates or currency exchange rates) may also affect the value of a company's equity securities. As a company generally pays dividends on its equity securities only after investment in its business and making payments on its debt, the value of its equity securities may react more strongly than its bonds and other debt to actual or perceived changes in its financial condition or prospects.

### ***FDI***

- (v) Certain types of assets such as Autocallable Derivative Contracts may be illiquid, particularly during adverse market conditions, and this may indirectly affect the Net Asset Value per Share.
- (w) The Autocallable Derivative Contracts, if any, may be terminated in accordance with their terms upon the occurrence of certain events in relation to either an Approved Counterparty or the Fund (including failure to pay, insolvency, increased costs of

hedging and the imposition of withholding tax on the payments due by either party). Upon such termination, the Fund (except in the case of fully funded swaps) or the Approved Counterparty may be liable to make a termination payment (regardless of which party may have caused such termination) based on the mark to market value of the Swaps at such time, as determined by the Approved Counterparty.

- (x) Exposure to the Underlyings is achieved through an investment in the Autocallable Derivative Contracts. Given the nature of the Autocallable Derivative Contracts and the costs that may be involved in their utilisation, the value of the Autocallable Derivative Contracts (which ultimately determine the return the Shareholders will receive) will not track the value of the Underlyings. Shareholders should thus be familiar with the risks associated with such an approach to investment.
- (y) Exposure to an Underlying is achieved through an investment in the Autocallable Derivative Contracts. Under the terms of the Autocallable Derivative Contracts, an Approved Counterparty has discretion not to execute a request from the Company on behalf of the Fund to increase exposure under the Autocallable Derivative Contracts, and therefore not to invest net proceeds of any issue of Shares (whether on the Launch Date or subsequently) into the Autocallable Derivative Contracts. Under such circumstances, the Fund will not be able to gain exposure to an Underlying to the extent that such subscription proceeds are not invested in Autocallable Derivative Contracts, until such time as the Approved Counterparty is able to accept further investments into the Autocallable Derivative Contracts.
- (z) The value of the Autocallable Derivative Contracts may be adjusted by an Approved Counterparty in accordance with their terms, in response to disruption events affecting such Autocallable Derivative Contracts or an Underlying; or in response to modification or termination of an Underlying to which they reference. Whilst it is expected that such adjustments will be made in good faith and in a commercially reasonable manner, such adjustments may affect the value of Fund Assets, and consequently, the Net Asset Value of Shares.
- (aa) The return payable under the Autocallable Derivative Contracts (if any) with an Approved Counterparty is subject to the credit risk of the Approved Counterparty. In the event that the risk exposure to the Approved Counterparty in the Swap exceeds the limits prescribed by the Central Bank, the Approved Counterparty is required to provide Collaterals to the Fund such that the risk exposure to the Approved Counterparty is limited to 10% (if the Approved Counterparty is a Relevant Institution) or 5% (in all other cases) of the Net Asset Value of the Fund. On the bankruptcy or insolvency of the Approved Counterparty, the Fund may experience delays in liquidating the positions taken and may incur significant losses, including declines in the value of its investment or the Collateral posted by the Approved Counterparty during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment or the Collateral during such period and fees and expenses incurred in enforcing its rights.

### ***Exchange Rate Risk***

- (bb) Investors should note that the investment assets may be denominated in a number of currencies different from the Base Currency and the relevant Share Class currency and as such the performance of the Share Class will be exposed to the fluctuation in exchange rates which may adversely affect the value of the Shares. Exchange rates between currencies are determined by a number of factors including (but not limited to) the supply and demand in the international currency markets, which are influenced by macro-economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government policies (including the imposition of currency controls and restrictions). Investors should also note that their investment may be exposed to fluctuations in exchange rates if the Base Currency of the Fund and/or the currency in which the investment(s) of the Fund is denominated in is different from the currency in

which they subscribe for Shares in the Fund.

### **Other Risks**

- (cc) If a Disruption Event occurs, the calculation agent for the Autocallable Derivative Contracts and the Investment Manager may make such determinations and/or adjustments to determine the value of the relevant underlying asset (in the case of the Investment Manager) and/or the Autocallable Derivative Contracts (in the case of the calculation agent). The Net Asset Value may be affected by such adjustment.
- (dd) The Shares may be compulsorily repurchased in the circumstances and manner described under the section headed “Mandatory Repurchase” in the Prospectus. In such circumstance, the Company, the Management Company or the Investment Manager is not under any obligation to repurchase the Shares of the Fund at the price at which they were issued.
- (ee) The right of Shareholders to require the repurchase or exchange of Shares may from time to time be temporarily suspended in the circumstances and manner described on pages in accordance with the provisions of the Prospectus under the section “Suspension of Calculation of the Net Asset Value”. Such suspension may be a result of a Disruption Event (which may include, without limitation, an Underlying Index Force Majeure Event or an Underlying Index Market Disruption Event).
- (ff) While it is intended that dividends will be paid in respect of Distributing Shares, there is no guarantee that dividends will be paid at the frequency outlined above or at all. There may be insufficient Net Income for dividends or the Directors may determine not to pay dividends at any Distribution Date at their sole discretion.
- (gg) The sub-funds of the Company are segregated as a matter of Irish law and as such in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (hh) Shareholders should note that Barclays Bank PLC shall act as an Approved Counterparty and Investment Manager and Shareholders may be exposed to potential conflicts of interest as a result. In addition, the Fund may be exposed to the potential conflicts of interest in the performance of the function of Approved Counterparty and Investment Manager. The operational risks arising from any such potential lack of independence are in part reduced by the fact that different divisions within Barclays Bank PLC will be responsible for the different roles. In such circumstances, Barclays Bank PLC has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced. The Directors believe that Barclays Bank PLC is suitable and competent to perform such functions.



## **Miscellaneous**

As of the date of this Supplement, there are six other sub-funds of the Company currently in existence, namely, Fondo Radar, Barclays Roll Yield Commodities Fund, QMS Fund, Barclays Shiller Eurozone CAPE Single Stock Value Fund, Barclays Novus Public Ownership HF Conviction Fund, Barclays Shiller US CAPE Single Stock Value Fund.

## **Disclaimers**

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