

## **FINEX US REIT UCITS ETF**

### **Supplement to the Prospectus**

This Supplement contains information in relation to the **FinEx US REIT UCITS ETF** (the "**Fund**"), a sub-fund of FinEx Funds ICAV (the "**ICAV**") an open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with segregated liability between sub-funds and with variable capital and authorised by the Central Bank of Ireland (the "**Central Bank**").

**This Supplement forms part of, and must be read in conjunction with, the Prospectus of the ICAV dated 3 August 2021, and may not be distributed unless accompanied by the Prospectus (other than to prior recipients of the Prospectus).**

**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS 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 PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.**

Capitalised terms used in this Supplement will have the meanings given to them in the Definitions section below or in the Prospectus.

In addition to investing in equity and equity related securities, transferable securities and other eligible assets, the ICAV may invest on behalf of the Fund in financial derivative instruments ("FDIs") for efficient portfolio management purposes, where applicable.

The Fund's Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying units/shares and may receive less than the current Net Asset Value when selling them.

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.

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

**FinEx Funds ICAV**

**Dated 12 November 2021**

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## **IMPORTANT INFORMATION**

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### **Suitability of Investment**

**The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus and the section headed "Other Information – Risk Factors" of this Supplement for a discussion of certain risks that should be considered by you.**

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. 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.

Investors should be aware that the Fund has the ability to replicate the Reference Index (as defined below). This means that the Fund may invest directly in the components of the Reference Index.

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

The Fund is suitable for investors seeking capital appreciation in the medium term who are prepared to accept a potentially high level of volatility.

### **Responsibility**

The Directors (whose names appear under the heading "**Directors of the ICAV**" of the Prospectus) accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) 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.

### **General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the ICAV and provides general information about offers of shares in the ICAV. 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.

As of the date of this Supplement, the ICAV does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

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

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and the latest annual report and audited accounts of the ICAV and the Fund (other than to prior recipients of the Prospectus) and if published after such report, a copy of the then latest semi-annual report and unaudited accounts. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the ICAV has already complied. If you wish to apply for the opportunity to purchase any 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.

### **Definitions**

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

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## TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND

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### Investment Objective

The investment objective of the Fund is to track the equity market performance of the Reference Index (as defined below) less fees and expenses. Further information on the Reference Index is set out below under the heading "General Description of the Reference Index". In order to achieve its investment objective, the Fund will adopt a passive investment strategy.

### Investment Policy

The investment policy of the Fund is to seek to track the performance of the Solactive GPR United States REIT ex Timber and Mortgage Index (or any other index determined by the Directors, in consultation with the Manager, from time to time to track substantially the same market as the Solactive GPR United States REIT ex Timber and Mortgage Index and which is considered by the Directors, in consultation with the Manager, to be an appropriate index for the Fund to track, in accordance with the Prospectus (the "**Reference Index**") as closely as possible, while seeking to minimise as far as possible the difference in performance between the Fund and the Reference Index. Any determination by the Directors, in consultation with the Manager, that the Fund should track another index, and that change is considered to result in a material amendment to the investment policy and exposure of the Fund, shall be subject to the prior approval of Shareholders, the index complying with the index eligibility requirements under the Regulations and will be implemented in accordance with the Central Bank Rules and this Supplement shall be updated accordingly. In the event that a change of index is considered to be a non-material amendment to the investment policy and exposure of the Fund, Shareholders will be provided with advance notice before the change of index is implemented. At all times, the Directors shall ensure that the index complies with the index eligibility requirements under the Regulations and will be implemented in accordance with the Central Bank Rules and this Supplement shall be updated accordingly.

The Fund will use replication techniques as described below in order to minimise as far as possible the difference in performance between the returns of the Reference Index and the return of the Fund, after fees and expenses. For information in relation to the difficulties associated with tracking indices, please refer to the "Risk Factors" section below.

In order to achieve the investment objective, the ICAV on behalf of the Fund intends to replicate the Reference Index as set out at (a) below; or invest in securities similar in nature to the components of the Reference Index set out at (b) below. The Investment Manager having due regard to the best interests of the Fund and to prevailing market conditions and in accordance with the conditions set out below will determine which Investment Policy to follow at any given time and shall invest all or substantially all of the net proceeds of any issue of Shares in the manner further detailed below:

- a) equity and equity related securities are components of the Reference Index, such as, common and preferable stocks in order to replicate as closely as possible the performance of the Reference Index. The Fund may invest up to 20% of its Net Asset Value in such equity and equity related securities issued by the same body in order to replicate the Reference Index. The limit may be raised to 35% for a single issuer where exceptional market conditions apply or due to an increased allocation of an issuer within the Reference Index. These exceptional market conditions include where a single company may, for various reasons, including as a result of a merger, have a very dominant position. This increased limit may only be utilised where the Fund is investing directly in components of the Reference Index and is following the policy detailed in this paragraph (a); and
- b) where the securities detailed at (a) above are unavailable, the Fund may invest in equity and equity related securities which shall relate to or are similar in nature to the components of the Reference Index such as, common and preferable stocks, securities convertible into common stock, in order to deliver as closely as possible the performance of the Reference Index. Consequently, the prime criterion for selecting the individual equity and equity related securities is not their perceived attractiveness or potential growth or value but rather their suitability in terms of attaining the investment objective of delivering the performance of the Reference Index.

The Fund may hold small amounts of cash and ancillary assets (which will normally have dividend entitlements of income receivables) including money market funds, money market instruments such as commercial paper, certificates of deposit and cash deposits subject to the limits set out in the Prospectus.

The assets listed at (a) and (b) above, any ancillary cash and any instruments held by the Fund (either for investment or efficient portfolio management purposes) shall constitute the **"Fund Assets"** for the purposes of the Prospectus. All instruments shall be listed and/or traded on the exchanges and markets set out in Appendix II of the Prospectus. Due to the nature of the Fund's investments as detailed above the Fund is likely to be subject to high volatility levels.

The Fund may, with due regard to the best interest of its Shareholders, decide from time to time to switch partially or totally from one of the above described policies to the other. The decision to switch between policies will be determined by the Investment Manager depending upon prevailing market conditions and will only occur where components of the Reference Index are unavailable.

As the Fund does not pursue a synthetic index replication strategy, there is no corresponding counterparty risk applicable.

The Fund will invest on a long-only basis.

The Fund has been classified as an Article 6 Fund under Regulation (EU) 2019/2088 of the European Parliament (as may be amended from time to time).

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"**.

### **Index Tracking Strategy**

In normal market conditions the Fund can be expected to match the performance of the Reference Index (less the Management Fee and associated costs which include securities lending arrangements and/or Repurchase Transactions (as detailed below)) and any annualised tracking error to the Reference Index is not expected to exceed 0.60% for the USD Share Class in normal market conditions.

### **Portfolio Transparency Policy**

The securities in which the Fund will invest in order to achieve its investment objective are set out in the "Investment Policy" section above. Details on the composition of the portfolio are set out on the Website on each Dealing Day.

### **Securities Financing Transactions**

The ICAV may (for the purposes of efficient portfolio management only) enter into Securities Financing Transactions with financial institutions with a minimum credit rating as permitted by the Regulations, or which are deemed by the Fund to have an implied credit rating at least equal to such level (a **"Counterparty"**). Any such Securities Financing Transaction will be subject to the conditions, limits and requirements of the Central Bank, SFTR and the provisions of the Prospectus. In these transactions, Collateral will move between the ICAV and the relevant Counterparty in order to mitigate any counterparty risk. The ICAV shall at all times have a right to recall any securities lent or terminate any such securities lending agreement into which the ICAV has entered into. In addition any and all revenues net of operating costs generated by efficient portfolio management activities will be returned to the ICAV.

Investors should also note the information contained in the "Securities Financing Transactions" and "Collateral Policy" sections in the main body of the Prospectus.

The maximum proportion of assets of the Fund which may be subject to such Securities Financing Transactions, being either securities lending arrangements and/or repurchase transactions, at any given time is 100% of Net Asset Value. However, it is expected that the actual proportion of assets of the Fund which will be subject to either securities lending arrangements or repurchase transactions, is 0% of Net Asset Value. The assets which may be subject to securities lending arrangements and/or repurchase transactions, include the securities described at paragraphs (a) and (b) above, being equity and equity related securities.

In any case the most recent semi-annual and annual reports 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 Process**

**The Manager on behalf of the Fund has filed with the Central Bank its risk management policy in respect of the ICAV which enables it to accurately measure, monitor and manage the various risks associated with the use of FDIs. The ICAV will not use any FDI not provided for in its risk management policy until such time as it has been updated and submitted to the Central Bank in accordance with the Central**

**Bank requirements.** The Manager 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.

**The Manager (or its duly appointed delegate) will use the commitment approach for the purposes of calculating global exposure for the Fund and global exposure will be limited to 100% of NAV. The Fund aims to track the Reference Index only and will not have incremental exposure or leveraged exposure to the Reference Index**

#### **Efficient Portfolio Management**

The ICAV may also (for the purposes of efficient portfolio or cash management and not for investment purposes), invest in cash deposits, money market instruments such as certificates of deposit and commercial paper, OTC options on the components of the Reference Index and units of UCITS regulated money market collective investment schemes.

Further information on efficient portfolio management is contained in the main body of the Prospectus under the heading "Efficient Portfolio Management".

#### **Investment Restrictions**

Investors in particular must note that the general investment restrictions set out under "**Investment Restrictions**" in the Prospectus apply to the Fund. In addition the following investment restrictions shall apply to the Fund:

The Fund shall not invest in a fund of the ICAV which itself holds shares in any other fund of the ICAV.

The Fund's exposure to Derivative Contracts shall be limited to 10% of the Fund's Net Asset Value.

#### **Disruption Events**

The following Disruption Events shall apply to the Fund in addition to those set out in the Prospectus:

- (i) the Index Provider makes an adjustment or modification to the calculation of the Reference Index;
- (ii) the Index Provider fails or delays in calculating, announcing and/or publishing the Reference Index level.

#### **Consequences of Disruption Events**

As further described in the Prospectus and as set out above, upon the occurrence of a Disruption Event including an Index Disruption and Adjustment Event (and without limitation to the Directors' personal powers), (i) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or (ii) the Directors may, in certain circumstances, terminate the Fund.

#### **Leverage**

The Fund will not be leveraged. The market risk of the Fund will be measured using the commitment approach in accordance with the requirements of the Central Bank. Any entry into repurchase agreements shall provide exposure on a 1:1 basis to the Fund Assets.

#### **Borrowings**

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

#### **Dividend Policy**

Dividends, if any are declared, will be calculated semi-annually on the last Business Day of the month in which the dividend is declared.

#### **Limited Recourse**

A Shareholder will solely be entitled to look to the Fund Assets in respect of all payments in respect of its Shares.

If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the ICAV.

## Listing

Application will be made to such exchanges as the Directors may determine from time to time (the "**Relevant Stock Exchanges**") for the listing of the Shares issued and available to be issued and to be admitted to listing on the official list and trading on the regulated market of each of the Relevant Stock Exchanges on or about the Launch Date. This Supplement and the Prospectus including all information required to be disclosed by Euronext Dublin, together comprise listing particulars for the purposes of listing the Shares on the official list and trading on the regulated market of each of the Relevant Stock Exchanges.

## Exchange Traded Fund

The Fund is an Exchange Traded Fund ("**ETF**"). The Shares of this Fund (where they are listed on the Relevant Stock Exchanges) are fully transferable among investors. It is envisaged that Shares will be bought and sold by public and institutional investors in the secondary market in the same way as the ordinary shares of a listed trading company.

The Directors of the ICAV may create new Share Classes from time to time, provided that the creation of any such new Share Classes is notified in advance to and cleared by the Central Bank. A separate pool of assets will not be maintained for each of the Share Classes.

## General Information Relating to the Fund

<b>Type</b>	Open-ended
<b>Base Currency</b>	USD
<b>Business Day</b>	A day on which (i) commercial banks are generally open for business in London or such other day or days that the Directors may determine and notify to Shareholders in advance.
<b>*Dealing Day</b>	Any Business Day.
<b>Dealing Deadline</b>	4:30 p.m. (Dublin time) on the relevant Dealing Day.
<b>Launch Date</b>	To be determined by the Board of Directors. The Launch Date will be available from the Administrator and via the website: <a href="http://www.finexetf.com">www.finexetf.com</a>
<b>Minimum Fund Size</b>	USD 1,000,000 or its equivalence in the Base Currency or such other amount as the Directors, following consultation with the Manager, in their discretion may determine.
<b>Valuation Point</b>	Close of business in the relevant market on the relevant Dealing Day which closes last.
<b>Settlement Date</b>	Up to 3 (three) Business Days after the relevant Dealing Day and in any event shall not exceed 10 (ten) Business Days from the relevant Dealing Deadline.
<b>Minimum Subscription Amount/Basket</b>	1,000,000 Shares / 2 Baskets**, unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Subscription Amount/Basket.
<b>Minimum Redemption Amount/Basket</b>	1,000,000 Shares / 2 Baskets**, unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Redemption Amount/Basket.
<b>Website</b>	<a href="http://www.finexetf.com">www.finexetf.com</a> – details of indicative net asset value are available on the Website.

\* In general each Business Day will be a Dealing Day. However, some Business Days will not be Dealing Days where, for example, markets on which the Fund's Investments are listed or traded or markets relevant to the Reference Index are closed. The Investment Manager produces dealing calendars which detail in advance the Dealing Days for the Fund. The dealing calendar may be amended from time to time by the Investment Manager with the prior approval of the Directors, in consultation with the Manager and the Depositary, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for the Fund is available from the Investment Manager and from the Website and any

such changes to the dealing calendar of the Fund shall be notified in advance to Shareholders.

\*\* A Basket is equal to 500,000 Shares.

## Description of the Shares

### Share Classes

Share Class	USD Shares
Initial Issue Price	USD 1

The initial offer period for the Shares will commence at 9.00 a.m. (Irish time) on 15 November 2021 and end at 5.00 p.m. (Irish time) on 13 May 2022 or such earlier or later time as the Directors may decide as may be notified to the Central Bank as required.

After the initial offer period, Shares in the Share Classes will be continuously open for subscriptions at the Issue Price of the relevant Share Class on the relevant Dealing Day.

### Fees and Expenses

The following fees will be incurred on each Share by Shareholders (and will not be incurred by the ICAV on behalf the Fund, and accordingly will not affect the Net Asset Value of the relevant Share Class of the Fund).

Share Class	USD Shares
Subscription Charge*	Up to 4.5%
Redemption Charge**	Up to 3%

\* The Subscription Charge is added to the investment amount received from an investor for subscription for Shares. The Directors may waive all or part of the Subscription Charge in the event that the Shares purchased by a Shareholder correspond at least to the Minimum Subscription Amount/Basket or a multiple thereof or for any other reason at the Directors sole discretion.

\*\* The Redemption Charge is deducted from the redemption proceeds payable to the investor. The Directors may waive all or part of the Redemption Charge in the event that the Shares redeemed by a Shareholder correspond at least to the Minimum Redemption Amount/Basket or a multiple thereof or for any other reason at the ICAV's sole discretion.

Separate to and distinct from the Subscription Charge, Redemption Charge and Exchange Charge, which shall be deducted from the investment amount received from an investor or deducted from the redemption proceeds payable to the investor or used to purchase the Shares of the new Share Class (as appropriate), the following fees and expenses will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund:

Share Class	USD Shares
TER	Up to 0.60% per annum

The Distributor shall discharge the fees associated with the establishment and approval of the Fund.

The TER is accrued daily and paid quarterly in arrears. The maximum TER which is a percentage of the Net Asset Value of the Fund (plus VAT, if any) represents the maximum expenses payable in respect of the Fund. Depending of the Net Asset Value of the Fund, the TER might be well below the indicated maximum TER.



The TER shall include the fees paid to the Manager, the Investment Manager, the Distributor, the Depositary, any Administrative Expenses and all other expenses as set out under Section 10 of the Prospectus which are payable by the Fund.

This section headed "**Fees and Expenses**" should be read in conjunction with the sections headed "**Fees and Expenses**" and "**Issue and Repurchase Price/Calculation of Net Asset Value/Valuation of Assets**" in the Prospectus.

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## GENERAL DESCRIPTION OF THE REFERENCE INDEX

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The Reference Index is the Solactive GPR United States REIT ex Timber and Mortgage Index. The Reference Index is further described below but this information only represents an extract of the information available and neither the Directors, Solactive AG (or such other successor sponsor to the Reference Index the "**Index Provider**") nor the Investment Manager take any responsibility for the accuracy or completeness of such information.

The Reference Index seeks to track the performance of United States securities classified in the real estate investment trusts industry excluding REITs classified as timber or mortgage focused. REITs are investment trusts or companies that invest primarily in commercial real estate and are listed and traded on regulated markets. Shares issued by REITs are considered to be transferable securities for the purposes of the Regulations.

The Reference Index universe is comprised of all financial instruments which fulfill the below requirements. First, all securities that are part of the Global Benchmark Series (GBS) index universe of the Solactive GBS United States Investable Universe Index PR (ISIN: DE000SLA8D10), on a selection day as published on the Index Provider website: [www.solactive.com](http://www.solactive.com) are eligible for inclusion. The Index Provider then applies the following rules to select the composition of the Reference Index on each selection day;

1. Only REITs are eligible as components of the Reference Index.
2. Companies classified as Timber REITs or Mortgage REITs by the Index Provider are excluded from the Reference Index. A company needs to derive at least 60% of recurrent income from activities in timber or mortgage as reported in the most recent annual report in order to be classified as a Timber REIT or a Mortgage REIT respectively.

The Reference Index is calculated as a net total return index in US Dollar and each component is weighted by free-float market capitalization. The Reference Index is adjusted quarterly on the adjustment days, which are the first Wednesdays of February, May, August and November (the "**Adjustment Days**"). If the Adjustment Days are not eligible trading days, adjustments will be made on the next eligible trading day.

Further details of the Reference Index composition and its calculation methodology can be found at the website set out below. The Investment Manager monitors the investment restrictions applicable to the Fund. As soon as the Investment Manager becomes aware that the weighting of any particular stock in the Reference Index exceeds the permitted investment restrictions, the Investment Manager will seek to either unwind that particular position or reduce the Fund's exposure to that stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the UCITS Regulations.

### *Index Provider and website*

The Reference Index is sponsored by Solactive AG.

The methodology of the construction of the Reference Index is available on the, Solactive AG website: <https://www.solactive.com/indices/>

Additional information about the Reference Index including the closing price of the Reference Index can be found at: <https://www.solactive.com/indices/>

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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 must also note that:

- (a) The sub-funds of the ICAV 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 ICAV 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.
- (b) Upon the occurrence of a Disruption Event or an Index Disruption and Adjustment Event (and without limitation to the Directors’ personal powers as further described in the Prospectus); (i) adjustments may be made to account for any such event (including adjustment to the Reference Index, the calculation of the Reference Index level and/or changes to the terms of the Derivative Contracts) which may have a significant impact on the Net Asset Value of the Fund; (ii) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares and payment of redemption proceeds in accordance with the provisions of the Prospectus under the section “Suspension of Calculation of Net Asset Value”; and/or (iii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.
- (c) The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund’s exposure is linked to the performance of the components of the Reference Index which, in turn, is exposed to general market movements (negative as well as positive).
- (d) The performance of the Fund is linked to shares of REITs which are principally engaged in the real estate sector, which involves special risks including: the cyclical nature of property values, changes in the general economic climate, local conditions and market rental rates, attractiveness and location of the relevant properties, the financial circumstances of the tenants and changes in operational costs including but not limited to: the costs of maintenance and insurance. Investment in REITs may carry taxation consequences in certain markets or for certain shareholders. Investors are advised to consult their own professional advisors as to the tax implications under the laws of the countries of the underlying securities, their nationality, residence, domicile or incorporation.
- (e) The Fund’s use of the Reference Index is licensed by the Index Provider. If at any time, the licence is terminated or the Reference Index otherwise becomes unavailable, unreliable, inaccurate or unrepresentative, the Fund Directors may exercise their discretion to terminate the Fund in accordance with the terms of the Memorandum and Articles of Association.
- (f) The ability of the Fund to achieve significant correlation between the performance of the Fund and the Reference Index may be affected by changes in securities markets, changes in the composition of the Reference Index, cash flows into and out of the Fund and the fees and expenses of the Fund. The Fund will seek to track the Reference Index returns regardless of the current or projected performance of the Reference Index or of securities comprising the Reference Index. As a result, the Fund’s performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Reference Index will affect the performance, volatility and risk of the Reference Index (in absolute terms and by comparison with other indices), and consequently, the performance, volatility and risk of the Fund.
- (g) There is no guarantee that the investment objective of the Fund will be achieved. In particular, no financial instrument enables the returns of the Reference Index to be reproduced or tracked exactly. Changes in the investments of the Fund and re-weightings of the relevant Reference 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 the Fund’s tracking of the performance of the Reference Index. Furthermore, the total return on investment in the Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the Reference Index. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Reference Index, or of market disruptions, rebalancing the Fund’s

investment portfolio may not be possible and may result in deviations from the return of the Reference Index.

- (h) Some of the markets in which the Fund may effect derivative transactions are “over-the-counter” or “interdealer” markets, which may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative transactions. The participants in such markets are typically not subject to credit evaluation and regulatory oversight, which would be the case with members of “exchange-

based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause the Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise.

**Investors should also refer to the Prospectus for additional disclosure of risks.**

#### **References to Benchmarks**

Indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; (ii) relative VaR measurement; and (iii) calculating performance fees. Where an index is used for the purposes of (i) above this will constitute use of an index within the meaning of Article 3(1)(7)(e) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") where the Fund's investment policy or strategy defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation. Shareholders should note that the ICAV and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in this Supplement they are not formal benchmarks against which the Fund is managed.

Where relevant, the Investment Manager shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for the Fund in accordance with Article 3(1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Investment Manager will take to nominate a suitable alternative index.

Any index used by the Fund in accordance with Article 3(1)(7)(e) of the Benchmark Regulation shall be provided by an administrator either included in the register referred to in Article 36 of the Benchmark Regulation or availing of the transitional arrangements pursuant to Article 51 of the Benchmark Regulation.

#### **Disclaimers**

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