

**This document is a Supplement to the Prospectus dated 1 December 2023 issued by BlackRock Solutions Funds ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus. Investors’ attention is drawn to the risk warnings contained in the Prospectus. Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.**

**If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

The Directors accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**BlackRock Solutions Funds ICAV**

(an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and the UCITS Regulations)

**Supplement for the following Funds:**

**QMM Actively Managed Continental European Equity Fund**

**QMM Actively Managed Global High Yield Corporate Bond Fund**

**QMM Actively Managed Global Investment Grade Corporate Bond Fund**

**QMM Actively Managed US Equity Fund**

**(collectively, the “Funds”)**

**15 March 2024**

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## **INTRODUCTION**

The ICAV is an Irish collective asset-management vehicle registered on 20 July 2020. The ICAV is authorised in Ireland by the Central Bank as a UCITS for the purposes of the UCITS Regulations. The following summary is qualified in its entirety by reference to the more detailed information included in the Prospectus.

### **Structure**

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella vehicle, insofar as each Fund of the ICAV will constitute a separate fund within the ICAV's structure. The assets of each Fund will be invested in accordance with the investment objectives and policies applicable to that Fund. The Directors may from time to time establish further Funds with the prior approval of the Central Bank, details of which will be set out in the Prospectus and/or any Supplement.

The Prospectus may be issued with one or more Supplements, which may contain additional information or information relating to a separate Fund. The Prospectus and any Supplements should be read and constituted as one document.

This Supplement contains information relating to the Funds and should be read in conjunction with the Prospectus. The investment objective and policy in respect of each of the Funds is described in the section entitled "Investment Objectives and Policies".

### **The Funds**

The investment objective and policy in respect of each Fund is described in the section entitled "Investment Objectives and Policies". The Funds are actively managed. This means that they either do not aim to track the return of any benchmark index but may have regard to a benchmark index in constructing the Fund's portfolio, for performance comparison, risk management and/or for other purposes and fall within the category of "Actively Managed non-EI Funds" as described in the Prospectus.

The Funds are structured as multi-manager funds where the Investment Manager, BlackRock Investment Management (UK) Limited, may appoint one or more Sub-Investment Managers to provide investment management and advisory services in respect of all or part of the assets of the Funds. The Funds will be distributed by the exclusive sub-distributor, Quintet Private Bank (Europe) S.A., and the "QMM" reference in the names of the Funds is used to differentiate this range of funds distributed exclusively by Quintet from other funds of the ICAV.

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

The Funds are suitable for both retail and professional investors seeking to achieve investment objectives which align with those of the relevant Fund in the context of the investor's overall portfolio.

Investors are expected to be able to make an investment decision based on the information set out in the Prospectus, this Supplement, and the relevant KIID (as defined in the Prospectus) or, alternatively, to obtain professional advice. Investors should also be able to bear capital and income risk and view investment in a Fund as a medium to long term investment.

## **DEFINITIONS**

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

The following definitions apply in this document:

### **Business Day**

means:

- (a) in respect of QMM Actively Managed Continental European Equity Fund, a business day in England and a day on which the markets in France, Germany and Switzerland on which the investments of the Fund are traded and open for business;
- (b) in respect of QMM Actively Managed Global Investment Grade Corporate Bond Fund, QMM Actively Managed Global High Yield Corporate Bond Fund and QMM Actively Managed US Equity Fund a business day in England and a day on which the markets in the US on which the investments of the Fund are traded are open for business; and
- (c) in respect of any Fund, such other day or days as the Manager may from time to time determine.

### **CIS**

means a collective investment scheme or schemes.

### **Cut-Off Point**

means 11.00 am UK time on each Dealing Day or such other time as the Manager may determine from time to time, provided it is prior to the relevant Valuation Point. Shareholders will be notified in advance if it is intended to permanently change the Cut-Off Point and this Supplement will be updated accordingly.

### **Dealing Day**

means such Business Day as the Manager may from time to time determine for dealings in a Fund, provided that there shall be at least one Dealing Day per fortnight. The Dealing Day in respect of each of the Funds shall be each Business Day unless otherwise determined by the Manager and notified to Shareholders in advance. However, some Business Days will not be Dealing Days where, for example, markets on which a Fund's investments are listed or traded are closed or where there is a public holiday in the relevant jurisdiction, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and sale, switching and/or redemption of Shares of any Fund in accordance with the provisions of the Prospectus and Instrument of Incorporation. A list of the Business Days which will be treated as non-Dealing Days for certain Funds from time to time can be obtained from the Manager upon request.

### **Investment Manager**

means BlackRock Investment Management (UK) Limited, and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to the Funds, or any of them.

### **Minimum Subscription**

means a Shareholder's minimum subscription (whether initial or subsequent) for Shares of any Class as set out in this Supplement.

### **Principal Distributor**

means BlackRock Investment Management (UK) Limited, appointed, in accordance with the requirements of the Central Bank, to provide distribution services to the Funds, or any of them.

### **Quintet**

means Quintet Private Bank (Europe) S.A.

### **Sub-Investment Manager**

means such person or persons as may be appointed by the Investment Manager, in accordance with the requirements of the Central Bank, to provide investment management services to some or all of the Funds from time to time.

### **Sustainable Investment**

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investments do not significantly harm any of those environmental or social objectives and that the investee companies follow good governance practices.

### **Valuation Point**

in respect of a Fund, the time on a Dealing Day at which the last market relevant to its investments closes for business or such other time on each Dealing Day as may be determined by the Investment Manager, provided that if any of the relevant markets are not open on a Dealing Day, the value of the relevant Investments on the previous Dealing Day shall be used, using the same criteria.

## INVESTMENT OBJECTIVES AND POLICIES

### QMM Actively Managed Continental European Equity Fund

#### Investment Objective

The investment objective of the QMM Actively Managed Continental European Equity Fund (the "Fund" for the purposes of this part of the section of the Supplement entitled "Investment Objectives and Policies") is to seek to outperform the MSCI Europe Ex UK ESG Select Business Involvement Screens Index (the "Benchmark Index") over a rolling three year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations.

#### Investment Policy

In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in the equity securities or equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies incorporated in, listed in, or the main business of which is in, Continental Europe. Depository receipts are investments issued by financial institutions which give exposure to underlying equity securities. The Fund does not have any industry focus.

The Fund aims to promote the environmental and social characteristics related to: (i) the reduction of non-renewable natural resource utilisation and pollution; (ii) the reduction of the availability of weapons; (iii) better health and well-being; and (iv) support for human rights, labour standards, the environment and anti-corruption via its exclusionary policy and the Fund will also seek to invest in Sustainable Investments. The equity securities or equity related securities and/or instruments in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A. Further detail on the environmental and social characteristics promoted by the Fund and how they are achieved is set out in the Fund's pre-contractual disclosure in Appendix D.

In addition, subject to the restrictions set out in Appendix D of the Prospectus, the Fund may invest in other equities and equity-related securities, which may include equity securities and equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies that are not incorporated in, listed in, or have their main business in, Continental Europe. The Fund may also invest in equity and equity related securities of real estate companies and in Real Estate Investment Trusts ("REITs") (with investment in REITs not exceeding 10% of the Fund's Net Asset Value), and, for liquidity and other ancillary purposes, may invest in money market instruments (including certificates of deposits and bank certificates) cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities and equity related securities in which the Fund invests will be traded OTC or listed or traded on the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of this Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative bottom-up (i.e. fundamental analysis/research on an underlying company to assess the potential for growth and will involve, for example, analysing a company's quality and depth of management, competitive position and sensitivity to economic/market cycles) investment process in order to identify equity securities or equity related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of this Supplement.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS, which may include money market funds for liquidity management purposes, and/or CIS which are exposed to investments that are similar to the Fund's investments, where investing in such CIS may be more efficient from a cost and timing perspective than direct investment in equity and equity-related securities. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may invest in FDI (futures and forwards and any other instruments outlined in Appendix C of the Prospectus) for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). The Fund may invest in index futures and options where the underlying index is a broad-based equity index for efficient portfolio management purposes. Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix C of the Prospectus subject to the conditions and within the limits laid down by the Central Bank. The FDI may be dealt OTC or be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus. The counterparties to any swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund.

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage

intermittently if FDI are used. At no time will the Fund's leverage exceed 100% of its Net Asset Value pursuant to the UCITS Regulations. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDI. It is calculated by aggregating the underlying market or notional values of derivative instruments.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section of this Supplement entitled "Risk Factors" for further details.**

### **Use of Benchmark**

The Fund is actively managed and the Investment Manager has discretion to construct the Fund's portfolio by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the Benchmark Index when constructing the Fund's portfolio (based on such portion of the assets of the Fund allocated to it), and the Investment Manager and such Sub-Investment Managers will also refer to the Benchmark Index for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Benchmark Index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The degree of deviation from the Benchmark Index is not the sole consideration of the Investment Manager and/or Sub-Investment Managers when assessing whether the level of active risk taken by the Fund remains appropriate given the Fund's investment objective and policy. The Fund's portfolio is not bound to the components or weighting of the Benchmark Index and the Fund may invest in securities not included in the Benchmark Index to take advantage of specific investment opportunities. The Fund is designed to provide investors with a relative gross return in excess of the Benchmark Index by typically taking a moderate level of active risk relative to the Benchmark Index in order to seek a commensurate return with respect to applicable management fees over the medium term (i.e. 3 years or more).

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the MSCI Europe ex UK Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens as set by the index provider.

The Parent Index measures the performance of large and mid capitalisation stocks of companies in developed market countries in Europe (excluding the UK) which comply with the index provider's size, liquidity and free-float criteria, and is free float-adjusted market capitalisation weighted (i.e. each stock included in the Benchmark Index is weighted based on its share price multiplied by the number of shares readily available in the relevant market).

The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index) are available on the index provider's website at <https://www.msci.com/constituents>.

### **Exclusionary Policy**

See Appendix A of this Supplement.

### **Base Currency**

The base currency of the Fund is the Euro.

### **Fees**

See section of this Supplement entitled "Fees and Expenses".

### **Valuation and dealing**

Dealings in Shares of the Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Services team before the Cut-Off Point and the Subscription Prices and Redemption Prices applied will be those calculated as at the Valuation Point which will be derived from the relevant Net Asset Value per Share adjusted as appropriate to reflect Duties and Charges (see paragraph 1(c) of Appendix E of the Prospectus headed "Dual Pricing Funds").

Any dealing orders received by the Transfer Agent or the local Investor Services team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see the sub-sections of the Prospectus headed "Subscription for Shares" and "Redemption of Shares".

### **Risk Management Approach**

Commitment approach.

For further details on the Fund's risk management approach, please refer to Appendix C of the Prospectus.

### **SFDR and Taxonomy Regulation**

The Fund has been classified under the SFDR as an "Article 8" financial product/fund.

An Article 8 fund is required to disclose the proportion of investment in environmentally sustainable economic activities

under Article 3 of the Taxonomy Regulation (“Environmentally Sustainable Economic Activities”) selected for such Article 8 fund, including details of the proportions of enabling activities and transitional activities within the meaning of the Taxonomy Regulation.

While the Fund may have investments in the activities referred to above, it does not currently commit to investing more than 0% of its assets in investments aligned with the EU criteria for Environmentally Sustainable Economic Activities.

In addition, the “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for Environmentally Sustainable Economic Activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

## **QMM Actively Managed Global High Yield Corporate Bond Fund**

### **Investment Objective**

The investment objective of the QMM Actively Managed Global High Yield Corporate Bond Fund (the “Fund” for the purposes of this part of the section of the Supplement entitled “Investment Objectives and Policies”) is to seek to outperform the Bloomberg MSCI Global Corporate High Yield SRI Screened Select Index (Euro Hedged) (the “Benchmark Index”) over a rolling three year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations.

### **Investment Policy**

In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in fixed income securities (e.g. bonds, notes, debentures), including fixed income securities which are not registered with the Securities Exchange Commission (namely Reg S securities and 144A securities), and instruments relating to fixed income securities (namely options, futures, forwards, currency swaps, interest rate swaps and credit default swaps (including credit default swap indices)) issued in global developed markets and emerging markets by corporate issuers or government-related issuers (including governments, foreign agencies, supranational bodies and local authorities). Such fixed income securities and fixed income related securities will be below investment grade or unrated. The Fund does not have any industry focus. The Fund will not invest in bank loans.

The Fund aims to promote the environmental and social characteristics related to: (i) the reduction of non-renewable natural resource utilisation and pollution; (ii) the reduction of the availability of weapons; (iii) better health and well-being; and (iv) support for human rights, labour standards, the environment and anti-corruption via its exclusionary policy and the Fund will also seek to invest in Sustainable Investments. The fixed income securities or fixed income related securities and/or instruments in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A. Further detail on the environmental and social characteristics promoted by the Fund and how they are achieved is set out in the Fund’s pre-contractual disclosure in Appendix D.

**The Fund may invest up to 25% of its Net Asset Value in emerging markets. Please refer to the risk factors in section 6 of the Prospectus (“Risk Factors”) entitled “Emerging markets”, “Brazil”, “India”, “Licensing in India” and “Risks of investing in the China Interbank Bond Market” for further information about particular countries in which the Fund may invest.**

In addition, the Fund may, subject to the restrictions set out in Appendix D of the Prospectus, invest in other fixed income and fixed income related securities, which may include fixed income securities and instruments related to fixed income securities that are investment grade or, where unrated, deemed by the Investment Manager to be of an equivalent rating and, for liquidity and other ancillary purposes, money market instruments (including certificates of deposit, commercial paper and bankers acceptances), cash and/or cash equivalents (such as term deposits and bank certificates). The Fund may also invest up to 5% of its Net Asset Value in asset backed securities, commercial and residential mortgage backed securities, collateralised mortgage obligations, collateralised debt obligations and credit linked notes.

The fixed income securities and fixed income related securities in which the Fund invests will be traded OTC or listed or traded on the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund’s Exclusionary Policy set out in Appendix A of this Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund’s assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative bottom-up (i.e. fundamental analysis/research on an underlying issuer to assess the potential for growth and will involve, for example, analysing an issuer’s quality and depth of management, competitive position and sensitivity to economic/market cycles) investment process in order to identify fixed income securities or fixed income related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of this Supplement.



In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS, which may include money market funds for liquidity management purposes, and/or CIS which are exposed to investments that are similar to the Fund's investments, where investing in such CIS may be more efficient from a cost and timing perspective than direct investment in fixed income and fixed income-related securities. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may have exposure to fixed income securities traded on markets in India, Brazil and the PRC. The exposure to each of these markets will vary depending on the composition from time to time of the universe of fixed income securities used by the Fund, but the Fund will not invest more than 5% of its Net Asset Value in any one of India or Brazil or more than 10% of its Net Asset Value in the PRC.

The Fund may invest in FDI (futures, forwards, currency swaps, interest rate swaps, credit default swaps (including credit default swap indices), options and any other instruments outlined in Appendix C of the Prospectus) for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). In particular, the Fund will seek to hedge any non-Euro denominated investments of the Fund into Euro.

Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix C of the Prospectus subject to the conditions and within the limits laid down by the Central Bank. The FDI may be dealt OTC or be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus. The counterparties to any swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund.

The Fund may generate leverage where FDIs are used. In implementing its investment policy, the Fund is generally expected to be leveraged at around 200% of its Net Asset Value. The Fund may have higher levels of leverage on a short-term basis, in atypical or volatile market conditions. However, leverage is not expected to exceed 400% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Fund, without netting.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section of this Supplement entitled "Risk Factors" for further details.**

#### **Use of Benchmark**

The Fund is actively managed and the Investment Manager has discretion to construct the Fund's portfolio by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the Benchmark Index when constructing the Fund's portfolio (based on such portion of the assets of the Fund allocated to it), and the Investment Manager and such Sub-Investment Managers will also refer to the Benchmark Index for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Benchmark Index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The degree of deviation from the Benchmark Index is not the sole consideration of the Investment Manager and/or Sub-Investment Managers when assessing whether the level of active risk taken by the Fund remains appropriate given the Fund's investment objective and policy. The Fund's portfolio is not bound to the components or weighting of the Benchmark Index and the Fund may invest in securities not included in the Benchmark Index to take advantage of specific investment opportunities. The Fund is designed to provide investors with a relative gross return in excess of the Benchmark Index by typically taking a conservative level of active risk relative to the Benchmark Index in order to seek a commensurate return with respect to applicable management fees over the medium term (i.e. 3 years or more).

The Benchmark Index aims to reflect the performance of a sub-set of below investment grade fixed income securities (including Reg S securities and 144A securities) within the BBG Global High Yield Corporate 100% EUR Hedged Index (the "Parent Index"), hedged into Euro, which remain after the index provider has excluded securities using pre-defined ESG screens as set by the index provider.

The Parent Index measures the performance of below investment grade fixed income corporate-issued securities on a global basis which comply with the index provider's size and liquidity criteria.

The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index) are available on the index provider's website <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices-fact-sheets-publications/>.

#### **Exclusionary Policy**

See Appendix A of this Supplement.



**Base Currency**

The base currency of the Fund is the Euro.

**Fees**

See section of this Supplement entitled “Fees and Expenses”.

**Valuation and dealing**

Dealings in Shares of the Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Services team before the Cut-Off Point and the Subscription Prices and Redemption Prices applied will be those calculated as at the Valuation Point which will be derived from the relevant Net Asset Value per Share adjusted as appropriate to reflect Duties and Charges (see paragraph 1(c) of Appendix E of the Prospectus headed “Dual Pricing Funds”).

Any dealing orders received by the Transfer Agent or the local Investor Services team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see the sub-sections the Prospectus headed “Subscription for Shares” and “Redemption of Shares”.

**Risk Management Approach**

Relative VaR

For further details on the Fund’s risk management approach, please refer to Appendix C of the Prospectus.

**Underlying Financial Indices**

Financial indices, including credit default swap indices, to which the Fund may gain exposure through the use of financial derivative instruments shall comply with the UCITS requirements. The Fund will generally gain exposure to such indices for investment and/or for efficient portfolio management purposes, including for hedging purposes. It is not possible to list comprehensively the actual indices to which exposure may be taken, as they will change from time to time, but the annual accounts of the ICAV will include details of the indices to which exposures are taken for investment purposes during the relevant period where it is practical to do so.

**SFDR and Taxonomy Regulation**

The Fund has been classified under the SFDR as an “Article 8” financial product/fund.

An Article 8 fund is required to disclose the proportion of investment in environmentally sustainable economic activities under Article 3 of the Taxonomy Regulation (“Environmentally Sustainable Economic Activities”) selected for such Article 8 fund, including details of the proportions of enabling activities and transitional activities within the meaning of the Taxonomy Regulation.

While the Fund may have investments in the activities referred to above, it does not currently commit to investing more than 0% of its assets in investments aligned with the EU criteria for Environmentally Sustainable Economic Activities.

In addition, the “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for Environmentally Sustainable Economic Activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

**QMM Actively Managed Global Investment Grade Corporate Bond Fund****Investment Objective**

The investment objective of the QMM Actively Managed Global Investment Grade Corporate Bond Fund (the “Fund” for the purposes of this part of the section of the Supplement entitled “Investment Objectives and Policies”) is to seek to outperform the Bloomberg MSCI Global Green Corp and Global Corp SRI Screened Composite Index (Euro Hedged) (the “Benchmark Index”) over a rolling three year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations.

**Investment Policy**

In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in fixed income securities (e.g. bonds, notes, debentures), including fixed income securities which are not registered with the Securities Exchange Commission (namely Reg S securities and 144A securities), and instruments relating to fixed income securities (namely options, futures, forwards, currency swaps, interest rate swaps and credit default swaps (including credit default swap indices)) issued in global developed markets and emerging markets by corporate issuers or government-related issuers (including governments, foreign agencies, supranational bodies and local authorities). Such fixed income securities and fixed income related securities will be investment grade (or, where unrated, deemed by the Investment Manager to be of an equivalent rating). The Fund does not have any industry focus. The Fund will not invest in bank loans. The Fund seeks to allocate to Sustainable Investments, including but not limited to “green bonds”, “sustainable bonds” and “social bonds” (each as

defined by its corresponding proprietary methodology which is guided by the International Capital Markets Association Green Bond, Sustainable Bond and Social Bond Principles, respectively<sup>1</sup>, and each of which is evaluated under certain criteria as follows: 1) stated use of proceeds (i.e. that the proceeds promote the transition to a low-carbon economy or other environmental sustainability purposes); 2) process for project evaluation and selection (i.e. that there is clear delineation of the environmental objectives of the projects being funded); 3) process for management of proceeds (i.e. that a formal process to apply the proceeds to an eligible use be disclosed); and 4) commitment to ongoing reporting (i.e. commitment to regular reporting on projects, both prior to and post allocation of proceeds)).

The Fund aims to promote the environmental and social characteristics related to: (i) the reduction of non-renewable natural resource utilisation and pollution; (ii) the reduction of the availability of weapons; (iii) better health and well-being; and (iv) support for human rights, labour standards, the environment and anti-corruption via its exclusionary policy and the Fund will also seek to invest in Sustainable Investments. The fixed income securities or fixed income related securities and/or instruments in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A. Further detail on the environmental and social characteristics promoted by the Fund and how they are achieved is set out in the Fund's pre-contractual disclosure in Appendix D.

**The Fund may invest up to 25% of its Net Asset Value in emerging markets. Please refer to the risk factors in section 6 of the Prospectus ("Risk Factors") entitled "Emerging markets", "Brazil", "India", "Licensing in India" and "Risks of investing in the China Interbank Bond Market" for further information about particular countries in which the Fund may invest.**

In addition, the Fund may, subject to the restrictions set out in Appendix D of the Prospectus, invest in other fixed income and fixed income related securities, which may include fixed income securities and instruments related to fixed income securities that are below investment grade or unrated and, for liquidity and other ancillary purposes, money market instruments (including certificates of deposit, commercial paper and bankers acceptances), cash and/or cash equivalents (such as term deposits and bank certificates). The Fund may also invest up to 5% of its Net Asset Value in asset backed securities, commercial and residential mortgage backed securities, collateralised mortgage obligations, collateralised debt obligations and credit linked notes.

The fixed income securities and fixed income related securities in which the Fund invests will be traded OTC or listed or traded on the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of this Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative bottom-up (i.e. fundamental analysis/research on an underlying issuer to assess the potential for growth and will involve, for example, analysing an issuer's quality and depth of management, competitive position and sensitivity to economic/market cycles) investment process in order to identify fixed income securities or fixed income related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of this Supplement.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS, which may include money market funds for liquidity management purposes, and/or CIS which are exposed to investments that are similar to the Fund's investments, where investing in such CIS may be more efficient from a cost and timing perspective than direct investment in fixed income and fixed income-related securities. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may have exposure to fixed income securities traded on markets in India, Brazil and the PRC. The exposure to each of these markets will vary depending on the composition from time to time of the universe of fixed income securities used by the Fund, but the Fund will not invest more than 5% of its Net Asset Value in any one of India or Brazil or more than 10% of its Net Asset Value in the PRC.

The Fund may invest in FDI (futures, forwards, currency swaps, interest rate swaps, credit default swaps (including credit default swap indices and any other instruments outlined in Appendix C of the Prospectus) for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). In particular, the Fund will seek to hedge any non-Euro denominated investments of the Fund into Euro.

Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix C of the Prospectus subject to the conditions and within the limits laid down by the Central Bank. The FDI may be dealt OTC or be listed or traded on

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<sup>1</sup> The International Capital Markets Association Green Bond, Sustainable Bond and Social Bond Principles may be accessed using the following link: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

the Regulated Markets set out in Appendix F of the Prospectus. The counterparties to any swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund.

The Fund may generate leverage where FDIs are used. In implementing its investment policy, the Fund is generally expected to be leveraged at around 200% of its Net Asset Value. The Fund may have higher levels of leverage on a short-term basis, in atypical or volatile market conditions. However, leverage is not expected to exceed 400% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Fund, without netting.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section of this Supplement entitled “Risk Factors” for further details.**

### **Use of Benchmark**

The Fund is actively managed and the Investment Manager has discretion to construct the Fund’s portfolio by allocating the Fund’s assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the Benchmark Index when constructing the Fund’s portfolio (based on such portion of the assets of the Fund allocated to it), and the Investment Manager and such Sub-Investment Managers will also refer to the Benchmark Index for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Benchmark Index) taken by the Fund remains appropriate given the Fund’s investment objective and policy. The degree of deviation from the Benchmark Index is not the sole consideration of the Investment Manager and/or Sub-Investment Managers when assessing whether the level of active risk taken by the Fund remains appropriate given the Fund’s investment objective and policy. The Fund’s portfolio is not bound to the components or weighting of the Benchmark Index and the Fund may invest in securities not included in the Benchmark Index to take advantage of specific investment opportunities. The Fund is designed to provide investors with a relative gross return in excess of the Benchmark Index by typically taking a conservative level of active risk relative to the Benchmark Index in order to seek a commensurate return with respect to applicable management fees over the medium term (i.e. 3 years or more).

The Benchmark Index aims to reflect the performance of a sub-set of investment grade fixed income securities (including Reg S securities and 144A securities) within the BBG MSCI Global Green Bond Corporate 5% Issuer Cap EUR Hedged Index (the “Parent Index”), hedged into Euro, which remain after the index provider has excluded securities using pre-defined ESG screens as set by the index provider.

The Parent Indices measure the performance of investment grade fixed income securities on a global basis which comply with the index provider's size and liquidity criteria.

The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Indices (including their constituents and the ESG screening methodology for the Benchmark Index) are available on the index provider’s website at <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices-fact-sheets-publications/>.

### **Exclusionary Policy**

See Appendix A of this Supplement.

### **Base Currency**

The base currency of the Fund is the Euro.

### **Fees**

See section of this Supplement entitled “Fees and Expenses”.

### **Valuation and dealing**

Dealings in Shares of the Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Services team before the Cut-Off Point and the Subscription Prices and Redemption Prices applied will be those calculated as at the Valuation Point which will be derived from the relevant Net Asset Value per Share adjusted as appropriate to reflect Duties and Charges (see paragraph c) of Appendix E of the Prospectus headed “Dual Pricing Funds”).

Any dealing orders received by the Transfer Agent or the local Investor Services team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see the sub-sections the Prospectus headed “Subscription for Shares” and “Redemption of Shares”.

### **Risk Management Approach**

Relative VaR

For further details on the Fund's risk management approach, please refer to Appendix C of the Prospectus.

### **Underlying Financial Indices**

Financial indices, including credit default swap indices, to which the Fund may gain exposure through the use of financial derivative instruments shall comply with the UCITS requirements. The Fund will generally gain exposure to such indices for investment and/or for efficient portfolio management purposes, including for hedging purposes. It is not possible to list comprehensively the actual indices to which exposure may be taken, as they will change from time to time, but the annual accounts of the ICAV will include details of the indices to which exposures are taken for investment purposes during the relevant period where it is practical to do so.

### **SFDR and Taxonomy Regulation**

The Fund has been classified under the SFDR as an "Article 8" financial product/fund.

An Article 8 fund is required to disclose the proportion of investment in environmentally sustainable economic activities under Article 3 of the Taxonomy Regulation ("Environmentally Sustainable Economic Activities") selected for such Article 8 fund, including details of the proportions of enabling activities and transitional activities within the meaning of the Taxonomy Regulation.

While the Fund may have investments in the activities referred to above, it does not currently commit to investing more than 0% of its assets in investments aligned with the EU criteria for Environmentally Sustainable Economic Activities.

In addition, the "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for Environmentally Sustainable Economic Activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

### **QMM Actively Managed US Equity Fund**

#### **Investment Objective**

The investment objective of the QMM Actively Managed US Equity Fund (the "Fund" for the purposes of this part of the section of the Supplement entitled "Investment Objectives and Policies") is to seek to outperform the MSCI USA ESG Ex Select Business Involvement Screens Index (the "Benchmark Index") over a rolling three year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations.

#### **Investment Policy**

In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in the equity securities or equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies incorporated in, listed in, or the main business of which is in, the US. Depository receipts are investments issued by financial institutions which give exposure to underlying equity securities. The Fund does not have any industry focus.

The Fund aims to promote the environmental and social characteristics related to: (i) the reduction of non-renewable natural resource utilisation and pollution; (ii) the reduction of the availability of weapons; (iii) better health and well-being; and (iv) support for human rights, labour standards, the environment and anti-corruption via its exclusionary policy and the Fund will also seek to invest in Sustainable Investments. The equity securities or equity related securities and/or instruments in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A. Further detail on the environmental and social characteristics promoted by the Fund and how they are achieved is set out in the Fund's pre-contractual disclosure in Appendix D.

In addition, subject to the restrictions set out in Appendix D of the Prospectus, the Fund may invest in other equities and equity-related securities, which may include equity securities and equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies that are not incorporated in, listed in, or have their main business in, the US. The Fund may also invest in equity and equity related securities of real estate companies and in REITs (with investment in REITs not exceeding 10% of the Fund's Net Asset Value), and, for liquidity and other ancillary purposes, may invest in money market instruments (including certificates of deposits and bank certificates) cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities and equity related securities in which the Fund invests will be traded OTC or listed or traded in the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of this Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative bottom-up (i.e. fundamental analysis/research on an underlying company

to assess the potential for growth and will involve, for example, analysing a company's quality and depth of management, competitive position and sensitivity to economic/market cycles) investment process in order to identify equity securities or equity related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of this Supplement.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS, which may include money market funds for liquidity management purposes, and/or CIS which are exposed to investments that are similar to the Fund's investments, where investing in such CIS may be more efficient from a cost and timing perspective than direct investment in equity and equity-related securities. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may invest in FDI (futures and forwards and any other instruments outlined in Appendix C of the Prospectus) for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). The Fund may invest in index futures and options where the underlying index is a broad-based equity index for efficient portfolio management purposes. Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix C of the Prospectus subject to the conditions and within the limits laid down by the Central Bank. The FDI may be dealt OTC or be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus. The counterparties to any swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund.

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage intermittently if FDI are used. At no time will the Fund's leverage exceed 100% of its Net Asset Value pursuant to the UCITS Regulations. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDI. It is calculated by aggregating the underlying market or notional values of derivative instruments.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section of this Supplement entitled "Risk Factors" for further details.**

#### **Use of Benchmark**

The Fund is actively managed and the Investment Manager has discretion to construct the Fund's portfolio by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the Benchmark Index when constructing the Fund's portfolio (based on such portion of the assets of the Fund allocated to it), and the Investment Manager and such Sub-Investment Managers will also refer to the Benchmark Index for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Benchmark Index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The degree of deviation from the Benchmark Index is not the sole consideration of the Investment Manager and/or Sub-Investment Managers when assessing whether the level of active risk taken by the Fund remains appropriate given the Fund's investment objective and policy. The Fund's portfolio is not bound to the components or weighting of the Benchmark Index and the Fund may invest in securities not included in the Benchmark Index to take advantage of specific investment opportunities. The Fund is designed to provide investors with a relative gross return in excess of the Benchmark Index by typically taking a moderate level of active risk relative to the Benchmark Index in order to seek a commensurate return with respect to applicable management fees over the medium term (i.e. 3 years or more).

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the MSCI Developed-US Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens as set by the index provider.

The Parent Index measures the performance of large and mid capitalisation stocks of the US equity market which comply with the index provider's size, liquidity and free-float criteria, and is free float-adjusted market capitalisation weighted (i.e. each stock included in the Benchmark Index is weighted based on its share price multiplied by the number of shares readily available in the relevant market).

The Benchmark Index rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index) are available on the index provider's website at <https://www.msci.com/constituents>.

#### **Exclusionary Policy**

See Appendix A of this Supplement.

#### **Base Currency**

The base currency of the Fund is the US Dollar.



## **Fees**

See section of this Supplement entitled “Fees and Expenses”.

## **Valuation and dealing**

Dealings in Shares of the Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Services team before the Cut-Off Point and the Subscription Prices and Redemption Prices applied will be those calculated as at the Valuation Point which will be derived from the relevant Net Asset Value per Share adjusted as appropriate to reflect Duties and Charges (see paragraph 1(c) of Appendix E of the Prospectus headed “Dual Pricing Funds”).

Any dealing orders received by the Transfer Agent or the local Investor Services team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see the sub-sections of the Prospectus headed “Subscription for Shares” and “Redemption of Shares”.

## **Risk Management Approach**

Commitment approach.

For further details on the Fund’s risk management approach, please refer to Appendix C of the Prospectus.

## **SFDR and Taxonomy Regulation**

The Fund has been classified under the SFDR as an “Article 8” financial product/fund.

An Article 8 fund is required to disclose the proportion of investment in environmentally sustainable economic activities under Article 3 of the Taxonomy Regulation (“Environmentally Sustainable Economic Activities”) selected for such Article 8 fund, including details of the proportions of enabling activities and transitional activities within the meaning of the Taxonomy Regulation.

While the Fund may have investments in the activities referred to above, it does not currently commit to investing more than 0% of its assets in investments aligned with the EU criteria for Environmentally Sustainable Economic Activities.

In addition, the “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for Environmentally Sustainable Economic Activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

## **MANAGEMENT AND ADMINISTRATION**

### **The Investment Manager**

The Manager has delegated responsibility for the investment and re-investment of the assets of each of the Funds to the Investment Manager. The Investment Manager will be responsible to the Manager with regard to the management of the investment of the assets of each Fund in accordance with the investment objectives and policies subject always to the supervision and direction of the Manager.

### **Sub-Investment Managers**

The Investment Manager may appoint one or more Sub-Investment Managers (which may be Affiliates of the Investment Manager and/or external Sub-Investment Managers) to provide investment management and advisory services in respect of all or part of the assets of the Funds. Each Sub-Investment Manager will manage such portion of the assets of the particular Fund as is allocated to it from time to time by the Investment Manager. Subject to any overriding directions of the Manager, the Investment Manager will be responsible for the selection and appointment of any Sub-Investment Manager to the Fund. Details of the Sub-Investment Managers appointed to the Funds will be available to Shareholders on request and will be disclosed in the Fund’s annual/half yearly financial statements. The Investment Manager monitors the Sub-Investment Managers and can add or remove Sub-Investment Managers from the Funds on an ongoing basis, in accordance with the requirements of the Central Bank.

### **Sub-Distributor of the Funds**

The Manager acts as distributor of the Shares in any Fund and Share Class and has delegated this function to the Principal Distributor who in turn has sub-delegated its function as distributor of the Shares in the Funds on an exclusive basis to Quintet.

Please see section 4 (“Management and Administration”) of the Prospectus for further details.

## **SHARE CLASSES**

Shares in the current Funds are divided into Class Q Shares and Class NQ Shares, which are available as follows:

Class Q Shares are available to investors introduced to the Fund by the exclusive sub-distributor, Quintet, and are



subject to the minimum subscription and holding requirements set out below and in accordance with local regulations.

Class NQ Shares are available to investors who held Class Q Shares indirectly (through a nominee of Quintet) of a relevant Fund but who instructed Quintet that they wished to move all or part of their investment portfolio (including such indirect holding, or part thereof) to an alternative investment services provider. Where practicable, and subject to any instructions from the investor or on its behalf to redeem its holding, such (indirect) holding of Class Q Shares, or part thereof, will be switched into Class NQ Shares, (to be held ultimately through a nominee of the new investment services provider).

(in each case) subject to the minimum subscription and holding requirements set out below and in accordance with local regulations. Subsequent subscriptions for Class NQ Shares are not available to investors (save that a nominee or other person holding Shares on behalf of an underlying investor may also hold new subscriptions for other underlying investors to whom Class NQ Shares are available).

Class Q Shares and Class NQ Shares are further divided into Accumulating and Distributing Share Classes. Accumulating Share Classes do not pay dividends, whereas Distributing Share Classes may pay dividends.

Minimum subscription amounts and initial offer periods

Share Class	Minimum subscription	Minimum subsequent subscription	Minimum holding amount for existing Shareholders
Class Q Shares	£200,000,000, €200,000,000 or US\$200,000,000 (as applicable)	£1,000, €1,000 or US\$1,000 (as applicable)	£200,000,000, €200,000,000 or US\$200,000,000 (as applicable)
Class NQ Shares	N/A	N/A <sup>2</sup>	£50,000, €50,000 or US\$50,000 (as applicable)

Each of the minimum subscription and holding amounts included above shall be in the currency indicated. The Manager may waive the minimum subscription requirement in its absolute discretion.

Please refer to Appendix C of this Supplement for a list of all available Share Classes in the Funds. The ICAV may also create additional Share Classes in the Funds in the future in accordance with the requirements of the Central Bank.

The Initial Offer Period for any Classes of Shares in the Funds in which no Shares have been issued yet (the “Unlaunched Classes”) will run from 9 am (UK time) on 18 March 2024 until 5 pm (UK time) on 17 September 2024 or such earlier or later date as the Directors may determine and notify to the Central Bank. Thereafter Shares in those Classes will be issued at the relevant Subscription Price. Details of which Classes are available for subscription as Unlaunched Classes are available from the Manager.

The Initial Offer Price of the Shares shall be USD 10, EUR 10 and GBP 10 according to the relevant Dealing Currency of the Class and (for the avoidance of doubt) Duties and Charges may be applied, as appropriate, to the Initial Offer Price on the relevant initial Dealing Day.

Please see section 4 (“Share Classes”) of the Prospectus for further details.

## VALUATION, SUBSCRIPTIONS AND REDEMPTIONS

Please see section 5 (“Valuation, Subscription and Redemptions”) of the Prospectus for details.

## RISK FACTORS

### 1. General Risks

#### *Performance*

The performance of each Fund will depend on the performance of the underlying investments. No guarantee or representation is made that any Fund or any investment will achieve its respective investment objectives. Past results are not necessarily indicative of future results. The value of the Shares may fall due to any of the risk factors below as well as rise and an investor may not recoup its investment. Income from the Shares may fluctuate in money terms. Changes in exchange rates may, among other factors, cause the value of Shares to increase or decrease. The levels and bases of, and

<sup>2</sup> Subsequent subscriptions for Class NQ Shares are not available to investors save that a nominee or other person holding Shares on behalf of an underlying investor may also hold new subscriptions for other underlying investors to whom Class NQ Shares are available.

reliefs from, taxation may change. There can be no assurance that the collective performance of a Fund's underlying investments will be profitable. Also, there is no guarantee of the repayment of principal. On establishment, a Fund will normally have no operating history upon which investors may base an evaluation of performance.

### ***Fund liability***

The ICAV is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the ICAV is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability.

### ***Financial Markets, Counterparties and Service Providers***

The Funds may be exposed to finance sector companies which act as a service provider or as a counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse effect on the activities of the Funds.

Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the ICAV could be substantial and adverse.

### ***Tax Considerations***

The ICAV may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Where the ICAV invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The ICAV may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the Shares.

The ICAV (or its representative) may file claims on behalf of the Funds to recover withholding tax on dividend and interest income (if any) received from issuers in certain countries where such withholding tax reclaim is possible. Whether or when a Fund will receive a withholding tax refund in the future is within the control of the tax authorities in such countries. Where the ICAV expects to recover withholding tax for a Fund based on a continuous assessment of probability of recovery, the net asset value of that Fund generally includes accruals for such tax refunds. The ICAV continues to evaluate tax developments for potential impact to the probability of recovery for such Funds. If the likelihood of receiving refunds materially decreases, for example due to a change in tax regulation or approach, accruals in the relevant Fund's net asset value for such refunds may need to be written down partially or in full, which will adversely affect that Fund's net asset value. Investors in that Fund at the time an accrual is written down will bear the impact of any resulting reduction in NAV regardless of whether they were investors during the accrual period. Conversely, if the Fund receives a tax refund that has not been previously accrued, investors in the Fund at the time the claim is successful will benefit from any resulting increase in the Fund's Net Asset Value. Investors who sold their Shares prior to such time will not benefit from such Net Asset Value increase.

The tax information provided in section 8 of the Prospectus ("Taxation") is based, to the best knowledge of the Directors, upon tax law and practice as at the date of the Prospectus. Tax legislation, the tax status of the ICAV, the taxation of Shareholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Fund, affect the value of the Fund's investments in the affected jurisdiction and affect the Fund's ability to achieve its investment objective and/or alter the post-tax returns to Shareholders. Where a Fund invests in derivatives, the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of Shareholders. The information in section 8 of the Prospectus ("Section 8") is not exhaustive and does not constitute legal or tax advice. Investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the ICAV.

Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example in jurisdictions in the Middle East, the relevant Fund, the Manager, the Investment Manager and the Depositary shall not be liable to account to any Shareholder for any payment made or suffered by the ICAV in good faith to a fiscal authority for taxes or other charges of the ICAV or the relevant Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to the Fund at the point the decision to accrue the liability in the Fund accounts is made.

Shareholders should also read the information set out in the sub-section headed "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the ICAV being unable to comply with the terms of such reporting

systems.

### ***Hedged Share Classes***

While a Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of that Fund and the Hedged Share Class. To the extent that hedging is successful, the performance of the relevant Class of Shares is likely to move in line with the performance of the underlying assets.

Hedged Share Classes use forward FX contracts and spot FX contracts to reduce or minimise the risk of currency fluctuations between the Dealing Currency of a Hedged Share Class and the Base Currency of a Fund or between its underlying portfolio currency exposures against its Dealing Currency. In circumstances where the Dealing Currency of a Hedged Share Class is generally strengthening against the currency exposures being hedged (i.e. the Base Currency of a Fund or the currencies of the constituent securities of the underlying portfolio currency exposures of a Hedged Share Class), currency hedging may protect investors in the relevant Share Class against such currency movements. However, where the Dealing Currency of a Hedged Share Class is generally weakening against the currency exposures being hedged, currency hedging may preclude investors from benefiting from such currency movements. Investors should only invest in a Hedged Share Class if they are willing to forego potential gains from appreciations in the Base Currency or currencies of the constituent securities of the underlying portfolio currency exposures of a Hedged Share Class against the Dealing Currency. While currency hedging is likely to reduce currency risk in the Hedged Share Classes, it is unlikely to completely eliminate currency risk. Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could reduce the ability of the Hedged Share Class to reduce its currency risk and the volatility of such Hedged Share Class.

Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the Hedged Share Class. Funds may also use hedging strategies which seek to provide exposure to certain currencies (i.e. where a currency is subject to currency trading restrictions). These hedging strategies involve converting the Net Asset Value of the relevant Share Class into the relevant currency using financial derivative instruments (including currency forwards).

To the extent that a Fund does not employ strategies aimed at hedging certain Classes, such Classes will be subject to exchange rate risk in relation to the base currency of the relevant Fund.

All gains/losses or expenses arising from hedging transactions are borne separately by the Shareholders of the respective Hedged Share Classes. Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.

### ***Currency Risk – Share Class Currency***

Certain Share Classes of certain Funds may be denominated in a currency other than the Base Currency of the relevant Fund, such as Currency Denominated Share Classes. In addition, the Funds may invest in assets denominated in currencies other than the Base Currency or the Share Class currency. Therefore changes in exchange rates and changes in exchange rate controls may affect the value of an investment in the Funds.

### ***Currency Risk – Investor’s Own Currency***

An investor may choose to invest in a Share Class which is denominated in a currency that is different from the currency in which the majority of the investor’s assets and liabilities are denominated (the “Investor’s Currency”). In this scenario, a currency conversion will take place on subscription, redemption, switching and distribution as prevailing exchange rates and the investor is subject to currency risk in the form of potential capital losses resulting from movements of the exchange rate between the Investor’s Currency and the currency of the Share Class in which such investor invests, in addition to the other currency risks described herein and the other risks associated with an investment in the relevant Fund.

### ***Counterparty Risk to the Depositary***

The assets of the ICAV are entrusted to the Depositary for safekeeping, as set out in further detail in the sub-section of the Prospectus headed “Duties of the Depositary”. In accordance with the Directive, in safekeeping the assets of the ICAV, the Depositary shall: (a) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary’s books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verify the ownership of such assets and maintain a record accordingly. The assets of the ICAV should be identified in the Depositary’s books as belonging to the ICAV.

Securities held by the Depositary should be segregated from other securities/assets of the Depositary in accordance with applicable law and regulation, which mitigates but does not exclude the risk of non-restitution in case of bankruptcy of the Depositary. The investors are therefore exposed to the risk of the Depositary not being able to fully meet its obligation to reconstitute all of the assets of the ICAV in the case of bankruptcy of the Depositary. In addition, a Fund’s cash held with

the Depositary may not be segregated from the Depositary's own cash / cash under custody for other clients of the Depositary, and a Fund may therefore rank as an unsecured creditor in relation thereto in the case of bankruptcy of the Depositary.

The Depositary may not keep all the assets of the ICAV itself but may use a network of sub-custodians which are not always part of the same group of companies as the Depositary. Investors may be exposed to the risk of bankruptcy of the sub-custodians in circumstances in which the Depositary may have no liability where the loss incurred is as a result of an external event beyond the control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances in which the Depositary may have no liability where the loss incurred is as a result of an external event beyond the control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

### ***Liquidity risk***

Trading volumes in the underlying investments of the Funds may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Funds may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and that investment cannot be readily sold at the desired time or price, and consequently the relevant Fund may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of a Fund's assets can have a negative impact of the value of the relevant Fund or prevent the relevant Fund from being able to take advantage of other investment opportunities.

Investment in equity securities issued by unlisted companies, small and mid-capitalisation companies and companies based in emerging countries are particularly subject to the risk that during certain market conditions, the liquidity of particular issuers, sectors or industries, or all securities within a particular investment category, will reduce or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse market sentiment.

Liquidity risk also includes the risk that relevant Funds, including those Funds with a concentrated exposure to such issuers, sectors or industries, may be forced to defer redemptions, issue in specie redemptions or suspend dealing because of stressed market conditions, an unusually high volume of redemption requests, or other factors beyond the control of the investment manager. To meet redemption requests, the relevant Funds may be forced to sell investments at an unfavourable time and/or conditions, which may have a negative impact on the value of your investment. Investors in an impacted Fund may also experience increased dealing costs as a result of anti-dilution measures taken by the Manager (see Appendix E of the Prospectus).

### ***Market Risk***

Market risk is the risk that one or more markets in which a Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on a Fund and its investments.

### ***Limited Operating History***

Newly formed Funds have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in a Fund. The Fund's investment programme should be evaluated on the basis that there can be no assurance that the Investment Manager's assessments of the short-term or long-term prospects of investments, will prove accurate or that the Fund will achieve its investment objective.

### ***Subscription and Redemption Collection Account***

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in the ICAV Cash Collection Account in the name of the ICAV. Investors will be unsecured creditors with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the ICAV, there is no guarantee that the Fund or ICAV will have sufficient funds to pay unsecured creditors in full.

Payment by the Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date.



Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Fund, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Fund or the ICAV during this period, there is no guarantee that the Fund or ICAV will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

### ***Euro and Eurozone Risk***

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. Concerns persist regarding the risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal. This situation as well as the United Kingdom's referendum have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of a Fund's investments. It is difficult to predict the final outcome of the Eurozone crisis. Shareholders should carefully consider how changes to the Eurozone and European Union may affect their investment in a Fund.

### ***Potential Implications of Brexit***

On 31 January 2020 the United Kingdom (the "UK") formally withdrew and ceased being a member of the European Union (the "EU"). Following this, the UK entered into a transition period which lasted for the remainder of 2020, during which period the UK was subject to applicable EU laws and regulations. The transition period expired on 31 December 2020, and EU law no longer applies in the UK.

On 30 December 2020, the UK and the EU signed an EU-UK Trade and Cooperation Agreement ("UK/EU Trade Agreement"), which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets throughout 2021 and beyond. The UK's exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. While the UK/EU Trade Agreement provides for the free trade of goods, it provides only general commitments on market access in services together with a "most favoured nation" provision which is subject to many exceptions. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect the performance of a Fund.

Volatility resulting from this uncertainty may mean that the returns of a Fund's investments are affected by market movements, the potential decline in the value of Sterling or Euro, and the potential downgrading of sovereign credit ratings of the UK or an EU member state.

### ***Investment in asset-backed and mortgage-backed securities***

#### ***Asset-backed Securities ("ABS")***

An asset-backed security is a generic term for a debt security issued by corporations or other entities (including public or local authorities) backed or collateralised by the income stream from an underlying pool of assets. The underlying assets typically include loans, leases or receivables (such as credit card debt, automobile loans and student loans). An asset-backed security is usually issued in a number of different classes with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the class, the more the asset-backed security pays by way of income.

The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. ABS and mortgage-backed securities ("MBS") are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Specific types of ABS in which a Fund may invest are set out below.

#### ***Generic risks related to ABS***

While the value of ABS typically increases when interest rates fall and decreases when interest rates rise, and are expected

to move in the same direction of the underlying related asset, there may not be a perfect correlation between these events.

The ABS in which a Fund may invest may bear interest or pay preferred dividends at below market rates and, in some instances, may not bear interest or pay preferred dividends at all.

Certain ABS may be payable at maturity in cash at the stated principal amount or, at the option of the holder, directly in a stated amount of the asset to which it is related. In such instance, a Fund may sell the ABS in the secondary market prior to maturity if the value of the stated amount of the asset exceeds the stated principal amount and thereby realise the appreciation in the underlying asset.

ABS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, prepayments may occur at a slower rate than expected. As a result, the average duration of a Fund's portfolio may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities.

As with other debt securities, ABS are subject to both actual and perceived measures of creditworthiness. Liquidity in ABS may be affected by the performance or perceived performance of the underlying assets. In some circumstances investments in ABS may become less liquid, making it difficult to dispose of them. Accordingly, a Fund's ability to respond to market events may be impaired and that Fund may experience adverse price movements upon liquidation of such investments. In addition, the market price for an ABS may be volatile and may not be readily ascertainable. As a result, a Fund may not be able to sell them when it desires to do so, or to realise what it perceives to be their fair value in the event of a sale. The sale of less liquid securities often requires more time and can result in higher brokerage charges or dealer discounts and other selling expenses.

ABS may be leveraged which may contribute to volatility in the value of the security.

#### ***Considerations relating to specific types of ABS in which the Fund may invest Asset-Backed Commercial Paper ("ABCP")***

An ABCP is a short-term investment vehicle with a maturity that is typically between 90 and 180 days. The security itself is typically issued by a bank or other financial institution. The notes are backed by physical assets such as trade receivables, and are generally used for short-term financing needs.

A company or group of companies looking to enhance liquidity may sell receivables to a bank or other conduit, which, in turn, will issue them to a Fund as commercial paper. The commercial paper is backed by the expected cash inflows from the receivables. As the receivables are collected, the originators are expected to pass on the funds.

#### ***Collateralised Debt Obligation ("CDO")***

A CDO is generally an investment grade security backed by a pool of non-mortgage bonds, loans and other assets. CDOs do not usually specialise in one type of debt but are often loans or bonds.

CDOs are packaged in different classes representing different types of debt and credit risk. Each class has a different maturity and risk associated with it.

#### ***Credit Linked Note ("CLN")***

A CLN is a security with an embedded credit default swap allowing the issuer to transfer a specific credit risk to a Fund.

CLNs are created through a special purpose company or trust, which is collateralised with securities rated in the top tier as determined by an accredited credit rating agency. A Fund buys securities from a trust that pays a fixed or floating coupon during the life of the note. At maturity, a Fund will receive the par value unless the referenced entity credit defaults or declares bankruptcy, in which case it receives an amount equal to the recovery rate. The trust enters into a default swap with a deal arranger. In case of default, the trust pays the dealer par minus the recovery rate in exchange for an annual fee which is passed on to a Fund in the form of a higher yield on the notes.

Under this structure, the coupon or price of the note is linked to the performance of a reference asset. It offers borrowers a hedge against credit risk, and offers the Fund a higher yield on the note for accepting exposure to a specified credit event.

#### ***Mortgage-backed Securities ("MBS")***

A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. A mortgage-backed security is normally issued in a number of different classes with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate of securities. The higher the risk contained in the class, the more the mortgage-backed security pays by way of income.



Specific types of MBS in which a Fund may invest are set out below.

### ***Generic risks related to MBS***

MBS may be subject to prepayment risk which is the risk that, in a period of falling interest rates, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of MBS will be paid off more quickly than originally anticipated and a Fund will have to invest the proceeds in securities with lower yields. MBS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, certain types of MBS will be paid off more slowly than originally anticipated and the value of these securities will fall. As a result, the average duration of a Fund's portfolio may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities.

Because of prepayment risk and extension risk, MBS react differently to changes in interest rates than other fixed income securities. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain MBS. Certain MBS in which a Fund may invest may also provide a degree of investment leverage, which could cause a Fund to lose all or a substantial amount of its investment.

In some circumstances investments in MBS may become less liquid, making it difficult to dispose of them. Accordingly, a Fund's ability to respond to market events may be impaired and a Fund may experience adverse price movements upon liquidation of such investments. In addition, the market price for MBS may be volatile and may not be readily ascertainable. As a result, a Fund may not be able to sell them when it desires to do so, or to realise what it perceives to be their fair value in the event of a sale. The sale of less liquid securities often requires more time and can result in higher brokerage charges or dealer discounts and other selling expenses.

### ***Considerations relating to specific types of MBS in which the Fund may invest***

#### ***Commercial Mortgage Backed Security ("CMBS")***

A CMBS is a type of mortgage backed security that is secured by the loan on a commercial property; CMBS can provide liquidity to real estate investors and to commercial lenders. Typically a CMBS provides a lower degree of prepayment risk because commercial mortgages are most often set for a fixed term and not for a floating term as is generally the case with a residential mortgage. CMBS are not always in a standard form so can present increased valuation risk.

#### ***Collateralised Mortgage Obligation ("CMO")***

A CMO is a security backed by the revenue from mortgage loans, pools of mortgages, or even existing CMOs, separated into different maturity classes. In structuring a CMO, an issuer distributes cash flow from the underlying collateral over a series of classes, which constitute a multiclass securities issue. The total revenue from a given pool of mortgages is shared between a collection of CMOs with differing cashflow and other characteristics. In most CMOs, coupon payments are not made on the final class until the other classes have been redeemed. Interest is added to increase the principal value. CMOs aim to eliminate the risks associated with prepayment because each security is divided into maturity classes that are paid off in order. As a result, they yield less than other mortgage-backed securities. Any given class may receive interest, principal, or a combination of the two, and may include more complex stipulations. CMOs generally receive lower interest rates that compensate for the reduction in prepayment risk and increased predictability of payments. In addition, CMOs can exhibit relatively low liquidity, which can increase the cost of buying and selling them.

#### ***Residential mortgage-backed security ("RMBS")***

An RMBS is a type of security whose cash flows come from residential debt such as mortgages, home-equity loans and subprime mortgages. This is a type of MBS which focuses on residential instead of commercial debt.

Holders of an RMBS receive interest and principal payments that come from the holders of the residential debt. The RMBS comprises a large amount of pooled residential mortgages.

### ***Impact of Natural or Man-Made Disasters and Disease Epidemics***

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. A Fund's investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay a Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely.

Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of a Fund's investments, whether or not such investments are involved in such man-made disaster.

Outbreaks of infectious diseases (including pandemics) may also have a negative impact on the performance of the Funds. For example, an outbreak of respiratory disease caused by a novel coronavirus was first detected in December 2019 and then spread globally. This coronavirus resulted in borders closing, restrictions on movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty. It is possible that there may be similar outbreaks of other infectious diseases in the future. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in emerging developing or emerging market countries may be greater due to less established health care systems. Health crises caused by such outbreaks may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of an outbreak may be short term or may last for an extended period of time. Such events could increase volatility and the risk of loss to the value of investors' investments.

## **2. Risk associated with Actively Managed Funds such as the Funds**

### ***Selection risk***

Selection risk is the risk that the securities selected by a Fund (whether selected on the basis of a proprietary methodology or framework or otherwise) will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies. The greater the active risk taken by a Fund (i.e. the degree of discretion the Investment Manager has to select investments in deviation from the Fund's Benchmark Index), the greater the selection risk is likely to be.

## **3. Investment Policy risks**

### ***Equity risks***

The values of equities fluctuate daily and a Fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

### ***Property Securities***

Investors should note that property securities are subject to some of the same risks associated with the direct ownership of property including, but not limited to adverse changes of the conditions of the real estate markets, obsolescence of properties, changes in availability, costs and terms of mortgage funds and the impact of environmental laws. However, investing in property securities is not equivalent to investing directly in property and the performance of property securities may be more heavily dependent on the general performance of stock markets than the general performance of the property sector. Historically there has been an inverse relationship between interest rates and property values. Rising interest rates can decrease the value of the properties in which a property company invests and can also increase related borrowing costs. Either of these events can decrease the value of an investment in property companies. The current taxation regimes for entities investing in the property markets are potentially complex and may change in the future. This may impact either directly or indirectly the returns to investors in a property fund and the taxation treatment thereof. Accordingly, investors should seek independent advice about the specific tax risks of investing in the Funds which may invest in property securities.

### ***Fixed Income risks***

#### ***General risks***

Fixed income securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated fixed income security or its issuer or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them.

A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities.

An economic recession may adversely affect an issuer's financial condition and the market value of high yield fixed income securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs.

### ***Risks of Investment in High Yield Fixed Income Securities***

Non-investment grade or unrated fixed income securities, also known as "high-yield" fixed income securities, may carry a greater risk of default than higher rated fixed income securities. In addition, non-investment grade securities tend to be less

liquid and more volatile than higher rated securities, so that adverse economic events may have a greater impact on the prices of non-investment grade securities than on higher rated securities. Such securities are also subject to greater risk of loss of principal and interest than higher rated fixed-income securities. Further, an issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, for example, an economic recession may adversely affect an issuer's financial condition and the market value of high yield fixed income securities issued by such entity.

### ***Sovereign Debt***

Sovereign debt refers to debt obligations (including fixed income securities) issued or guaranteed by governments or their agencies and instrumentalities (each a "governmental entity"). Investments in sovereign debt may involve a degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the international monetary bodies, any constraints placed on it by inclusion in a common monetary policy, or any other constraints to which a governmental entity might be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and other foreign entities to reduce principal and interest arrears on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. Sovereign debt holders may also be affected by additional constraints relating to sovereign issuers which may include (i) the restructuring of such debt (including the reduction of outstanding principal and interest and/or rescheduling of repayment terms) without the consent of the impacted Fund(s) (e.g. pursuant to legislative actions unilaterally taken by the sovereign issuer and/or decisions made by a qualified majority of the lenders); and (ii) the limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment (for example there may be no bankruptcy proceedings available by which sovereign debt on which a government entity has defaulted may be recovered).

### ***Bank Corporate Bonds "Bail-in" Risk***

Corporate bonds issued by a financial institution in the European Union or the UK may be subject to the risk of a write down or conversion (i.e. "bail-in") by a relevant authority in the jurisdiction in circumstances where the financial institution is unable to meet its financial obligations. This may result in bonds issued by such financial institution being written down (to zero), converted into equity or alternative instrument of ownership, or the terms of the bond may be varied. 'Bail-in' risk refers to the risk of relevant authorities exercising powers to rescue troubled banks by writing down or converting rights of their bondholders in order to absorb losses of, or 23 capitalize, such banks. Investors should be alerted to the fact that relevant authorities are more likely to use a "bail-in" tool to rescue troubled banks, instead of relying on public financial support as they have in the past as it is now considered that public financial support should only be used as a last resort after having assessed and exploited, to the maximum extent practicable, other resolution tools, including the "bail-in" tool. A bail-in of a financial institution is likely to result in a reduction in value of some or all of its bonds (and possibly other securities) and a Fund holding such securities when a bail-in occurs will also be similarly impacted.

### ***Risks associated with investment in other collective investment schemes***

To the extent permitted pursuant its investment policy in Appendix A of the Prospectus, and subject to the restrictions set out in Appendix D of the Prospectus, a Fund may invest in one or more collective investment schemes including schemes managed by the Manager or its affiliates.

A Fund may invest in shares of both open and closed-ended collective investment schemes (Including money market funds and exchange traded funds). Investing in another collective investment scheme exposes a Fund to all the risks of that collective investment scheme.

As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

### ***Risks associated with FDI, other instruments and other investment techniques***

#### ***Derivatives: general risks***

In accordance with the investment limits and restrictions set out in Appendix D of the Prospectus, each of the Funds may use derivatives to hedge market and currency risk, for the purposes of efficient portfolio management and for investment purposes, as described further in Appendix C of the Prospectus.

The use of derivatives may expose Funds to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Funds trade, the risk of settlement default, volatility risk, OTC transaction risk, lack of liquidity of the derivatives, market risk, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the relevant Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when purchasing derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require a Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Fund volatility. Whilst the Funds will not borrow money to leverage they may for example take synthetic short positions through derivatives to adjust their exposure, always within the restrictions provided for in Appendix D of the Prospectus. Certain Funds may enter into long positions executed using derivatives (synthetic long positions) such as futures positions including currency forwards.

Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each Fund will continue to observe the limits set out in Appendix D of the Prospectus. The use of derivatives may also expose a Fund to legal risk, which is the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

Subject to provision for such in the investment objective and policy for each Fund set out in Appendix A, the Funds may use derivatives to facilitate complex investment management techniques. In particular, this may involve (on a non-exhaustive basis):

- ▶ using swap contracts to adjust interest rate risk;
- ▶ using swap contracts to gain exposure to one or more indices for investment purposes;
- ▶ using currency derivatives to buy or sell currency risk;
- ▶ buying and selling options for investment purposes;
- ▶ using futures contracts to gain market exposure;
- ▶ using synthetic short positions to take advantage of any negative investment views; and
- ▶ using synthetic long positions to gain market exposure.

Investors should note the risks associated with the different types of derivative instruments and strategies, as further described below.

Where derivative instruments are used in this manner the overall risk profile of the Fund may be increased. Accordingly the Manager will employ a risk management process which enables the Manager to accurately measure, monitor and manage the risk of the positions and their contribution to the overall risk profile of the Fund. The Manager uses either the Commitment Approach or VaR to calculate each Fund's global exposure (as disclosed in Appendix A of the Prospectus), ensuring each Fund complies with the investment restrictions set out in Appendix D of the Prospectus. Details about the Commitment Approach and VaR are included at Appendix C of the Prospectus.

For more detail regarding the derivative strategies applied by individual Funds please refer to the individual Fund investment objectives in Appendix A of the Prospectus and the latest risk management programme which is available on request from the local Investor Services team.



### ***Repurchase and Reverse Repurchase Agreements***

Under a repurchase agreement a Fund sells a security to a counterparty and simultaneously agrees to repurchase the security back from the counterparty at an agreed price and date. The difference between the sale price and the repurchase price establishes the cost of the transaction. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the agreement. In a reverse repurchase agreement the Fund purchases an investment from a counterparty which undertakes to repurchase the security at an agreed resale price on an agreed future date. The Fund therefore bears the risk that if the seller defaults, the Fund might suffer a loss to the extent that proceeds from the sale of the underlying securities together with any other collateral held by the Fund in connection with the relevant agreement may be less than the repurchase price because of market movements. A Fund cannot sell the securities which are the subject of a reverse repurchase agreement until the term of the agreement has expired or the counterparty has exercised its right to repurchase the securities.

### ***Particular risks of OTC derivative transactions***

In general there is less governmental regulation and supervision of transactions in the OTC markets than organised stock exchanges. Many of the protections afforded to transactions on organised exchanges such as the performance guarantee of an exchange clearing house may not exist for OTC transactions. The risk of counterparty default therefore exists. To mitigate this risk the ICAV will only use preferred counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the use of letter of credit or collateral. However there can be no guarantee that counterparty will not default or that a Fund will not sustain losses as a result.

The Investment Manager will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. It will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for transactions.

In addition to the above the OTC market may be illiquid and it may not always be possible to execute a transaction quickly at an attractive price. From time to time the counterparties with which the ICAV effects the transactions might cease making markets or quoting prices in certain of the instruments. In such instances the ICAV might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Further in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Manager and the Investment Manager with the possibility to offset the ICAV's obligations through an equal and opposite transaction. For this reason entering into forward, spot or options contracts, the ICAV may be required, and must be able to, perform its obligations under the contracts.

### ***Options***

An option is the right (but not the obligation) to buy or sell a particular asset or index at a stated price at some date in the future. In exchange for the rights conferred by the option, the option buyer has to pay the option seller a premium for carrying on the risk that comes with the obligation. The option premium depends on the strike price, volatility of the underlying asset, as well as the time remaining to expiration. Options may be listed or dealt in OTC.

A Fund may enter into option transactions as either the buyer or seller of this right and may combine them to form a particular trading strategy as well as use options for reducing an existing risk.

If the Investment Manager or its delegate is incorrect in its expectation of changes in the market prices or determination of the correlation between the particular assets or indices on which the options are written or purchased and the assets in a Fund's investment portfolio, that Fund may incur losses that it would not otherwise incur.

### ***Credit default swaps, interest rate swaps and total return swaps***

The use of credit default swaps may carry a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own where the investment view is that the stream of coupon payments required will be less than the payments received due to the decline in credit quality. Conversely, where the investment view is that the payments due to decline in credit quality will be less than the coupon payments, protection will be sold by means of entering into a credit default swap. Accordingly, one party, the protection buyer, makes a stream of payments to the seller of protection, and a payment is due to the buyer in the event that there is a "credit event" (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.

The market for credit default swaps may sometimes be more illiquid than bond markets. A Fund entering into credit default swaps must at all times be able to meet the redemption requests. Credit default swaps are valued on a regular basis according to verifiable and transparent valuation methods reviewed by the Auditors.

Interest rate swaps involve an exchange with another party of respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. The Funds may enter into swaps as either the payer or receiver of payments under such swaps.

Where a Fund enters into interest rate or total return swaps on a net basis, the two payment streams are netted out, with each party receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that a Fund is contractually obliged to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate or total return swap defaults, in normal circumstances each Fund's risk of loss consists of the net amount of interest or total return payments that each party is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

The use of credit default swaps, interest rate swaps and total return swaps is a specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of market values, the investment performance of the Fund would be less favourable than it would have been if these investment techniques were not used.

### ***Counterparty Risk***

A Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant Fund. This would include the counterparties to any derivatives, repurchase or reverse repurchase agreement or securities lending agreement that it enters into. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure. The relevant Fund mitigates much of its credit risk to its derivative counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any derivative is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Fund maintains an active oversight of counterparty exposure and the collateral management process.

### ***Market leverage***

The Funds will not use borrowing to purchase additional investments but may be expected, via derivative positions, to obtain market leverage (gross market exposure, aggregating both long and synthetic short positions, in excess of net asset value). The Investment Manager will seek to make absolute returns from relative value decisions between markets ("this market will do better than that market"), as well as from directional views on the absolute return of markets ("this market is going to go up or down"). The extent of market leverage is likely to depend on the degree of correlation between positions. The higher the degree of correlation, the greater is the likelihood and probable extent of market leverage.

### ***Transfer of collateral***

In order to use derivatives the Funds will enter into arrangements with counterparties which may require the payment of collateral or margin out of a Fund's assets to act as cover to any exposure by the counterparty to the Fund. If the title to any such collateral or margin transferred is transferred to the counterparty, it becomes an asset of such counterparty and may be used by the counterparty as part of its business. Collateral so transferred will not be held in custody by the Depositary for safekeeping, but collateral positions will be overseen and reconciled by the Depositary. Where the collateral is pledged by the Fund to the benefit of the relevant counterparty, then such counterparty may not rehypothecate the assets pledged to it as collateral without the Fund's consent.

### ***Currency Risk – Base Currency***

The Funds may invest in assets denominated in a currency other than the Base Currency of the Funds. Changes in exchange rates between the Base Currency and the currency in which the assets are denominated and changes in exchange rate controls will cause the value of the asset expressed in the Base Currency to fall or rise. The Funds may utilise techniques and instruments including derivatives for hedging purposes to control currency risk. However it may not be possible or practical to completely mitigate currency risk in respect of a Fund's portfolio or specific assets within the portfolio. Furthermore, unless otherwise stated in the investment policies of the relevant Fund, the Investment Manager is not obliged to seek to reduce currency risk within the Funds. Where currency hedging is not utilised, performance may be strongly influenced by movements in exchange rates as currency positions may not correspond with the securities positions held.

### ***Geographical Risks***



### ***Emerging Markets/Frontier Markets***

Each Fund may invest in emerging markets, including smaller emerging and frontier markets and some of these investments may be made through other CIS where permitted in accordance with the restrictions described for a Fund in Appendix A of the Prospectus. Such Funds' investments may include investments in certain smaller emerging and frontier markets, which are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. The prospects for economic growth in a number of these markets are considerable and investment returns have the potential to exceed those in mature markets as growth is achieved. However, share price and currency volatility are generally higher in emerging and frontier markets.

Some governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems which may be exacerbated by climate change.

Certain economies also depend to a significant degree upon exports of primary commodities and, therefore, are vulnerable to changes in commodity prices which, in turn, may be affected by a variety of factors.

In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging and frontier markets may impose different capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging and frontier markets may be significantly different from those in developed markets. Compared to mature markets, some emerging and frontier markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Fund's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging and frontier markets involve higher risks than those in developed markets, in part because a Fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable.

Delays in settlement could result in investment opportunities being missed if a Fund is unable to acquire or dispose of a security.

In certain emerging and frontier markets, registrars are not subject to effective government supervision nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognise ownership exists, which, along with other factors, could result in the registration of a shareholding being completely lost. Investors should therefore be aware that the Funds concerned could suffer loss arising from these registration problems, and as a result of archaic legal systems a Fund may be unable to make a successful claim for compensation.

While the factors described above may result in a generally higher level of risk with respect to the individual smaller emerging and frontier markets, these may be reduced when there is a low correlation between the activities of those markets and/or by the diversification of investments within the relevant Funds.

### ***Restrictions on Foreign Investment***

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund. For example, a Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Fund. Re-registration may in some instances not be able to occur on a timely

basis, resulting in a delay during which a Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where a Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Fund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to a Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If a Fund acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in the Fund (including management fees) and, indirectly, the expenses of such closed end investment companies. In addition, certain countries such as India and the PRC implement quota restrictions on foreign ownership of certain onshore investments. These investments may at times be acquired only at market prices representing premiums to their net asset values and such premiums may ultimately be borne by the relevant Fund. A Fund may also seek, at its own cost, to create its own investment entities under the laws of certain countries.

### ***Brazil***

On 14 September 2016, the Brazilian tax authorities issued Normative Instruction 1658/16 amending the list of countries considered to be 'low tax jurisdictions' to include Curacao, Saint Martin and Ireland and exclude the Netherlands Antilles and Saint Kitts and Nevis. The changes were effective from 1 October 2016 onwards. As a consequence, Brazilian capital gains tax and increased income withholding tax rates on interest on capital distributions apply to Brazilian securities.

### ***India***

For Funds that invest in or are exposed to investment in India, potential investors should also consider the following risk warnings which are specific to investing in or exposure to India:

- India is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and tsunamis and India is economically sensitive to environmental events. In addition, the agricultural sector is an important component of the Indian economy and adverse weather may have a significant negative effect on the Indian economy.
- India has experienced a process of privatisation of certain entities and industries. If the newly privatised companies are unable to adjust quickly to a competitive environment or to changing regulatory and legal standards, investors in such newly privatised entities could suffer losses and this could adversely affect the performance of the Indian market.
- The Indian economy is dependent on commodity prices and the economies of Asia, mainly Japan and China, and the United States as key trading partners. Reduction in spending on Indian products and services by any of these trading partners or a slowdown or recession in any of these economies could adversely affect the Indian economy.
- India has experienced acts of terrorism and has strained international relations with Pakistan, Bangladesh, China, Sri Lanka and other neighbours due to territorial disputes, historical animosities, terrorism and other defence concerns. These situations may cause uncertainty in the Indian market and may adversely affect performance of the Indian economy.
- Disparities of wealth, the pace of economic liberalisation and ethnic, religious and racial disaffection may lead to social turmoil, violence and labour unrest in India. In addition, India continues to experience religious and border disputes as well as separatist movements in certain Indian states. Unanticipated political or social developments may result in investment losses.
- The Indian government has experienced chronic structural public sector deficits. High amounts of debt and public spending may stifle Indian economic growth, cause prolonged periods of recession or lower India's sovereign debt rating.
- Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD (Organisation for Economic Co-operation and Development) countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that a Fund experiences difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which such a Fund has directly or indirectly invested. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.
- Indian capital gains tax applies to Indian securities. To the extent any capital gains tax is incurred in respect of portfolio transactions in Indian securities by a relevant Fund, such capital gains tax will be borne by such Fund.

### ***Licensing in India***

In order to invest physically in Indian securities, a Fund is required to be registered as a Foreign Portfolio Investor ("FPI") under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014. In order to be registered as a FPI, each Fund is required to demonstrate that it satisfies the following broad based criteria: (i) the Fund must have a minimum of 20 investors including, both, direct investors and underlying investors in pooling vehicles; (ii) no investor

shall hold over 49% of the Shares or value of the Fund; and (iii) no underlying beneficial owner shall hold over 25% of the Shares or value of the Fund. Institutional investors who hold over 49% of the Shares or value of the Fund must themselves comply with broad based criteria. Underlying beneficial owners who hold over 25% of the Shares or value of the Fund are required to provide their consent to the FPI registration, and to that end have their client information disclosed to the relevant depository participant and Securities and Exchange Board of India. This criteria has been highlighted to investors. To the extent that investors in a Fund which invests physically in Indian securities under a FPI licence, do not meet the above criteria or disclosure requirement, the Fund may lose its FPI licence and may no longer be able to invest physically in Indian securities.

### ***Risks of investing in the China Interbank Bond Market***

The following risks apply to a Fund which, pursuant to its investment objective and investment policy as set out in Appendix A of the Prospectus, may invest in Chinese fixed income securities. Such a Fund may invest in the China Interbank Bond Market via the Foreign Access Regime and/or Bond Connect.

- *Investment in China Interbank Bond Market via Foreign Access Regime*

Pursuant to the “Announcement (2016) No 3” issued by the People’s Bank of China (“PBOC”) on 24 February 2016, foreign institutional investors can invest in the China Interbank Bond Market (“Foreign Access Regime”) subject to other rules and regulations as promulgated by the PRC authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in the China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

- *Investment in the China Interbank Bond Market via Northbound Trading Link under Bond Connect*

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and the PRC established by the China Foreign Exchange Trade System (“CFETS”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited (“HKEX”) and Central Moneymarkets Unit.

Under the prevailing regulations in the PRC, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect (“Northbound Trading Link”). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

The Northbound Trading Link refers to the trading platform that is located outside of the PRC and is connected to CFETS for eligible foreign investors to submit their trade requests for bonds circulated in the China Interbank Bond Market through Bond Connect. HKEX and CFETS will work together with offshore electronic bond trading platforms to provide electronic trading services and platforms to allow direct trading between eligible foreign investors and approved onshore dealer(s) in the PRC through CFETS.

Eligible foreign investors may submit trade requests for bonds circulated in the China Interbank Bond Market through the Northbound Trading Link provided by offshore electronic bond trading platforms (such as Tradeweb and Bloomberg), which will in turn transmit their requests for quotation to CFETS. CFETS will send the requests for quotation to a number of approved onshore dealer(s) (including market makers and others engaged in the market making business) in the PRC. The approved onshore dealer(s) will respond to the requests for quotation via CFETS and CFETS will send their responses to those eligible foreign investors through the same offshore electronic bond trading platforms. Once the eligible foreign investor accepts the quotation, the trade is concluded on CFETS.

On the other hand, the settlement and custody of bond securities traded in the China Interbank Bond Market under Bond Connect will be done through the settlement and custody link between the Central Moneymarkets Unit, as an offshore custody agent, and the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House, as onshore custodian and clearing institutions in the PRC. Under the settlement link, China Central Depository & Clearing Co., Ltd or Shanghai Clearing House will effect gross settlement of confirmed trades onshore and the Central Moneymarkets Unit will process bond settlement instructions from Central Moneymarkets Unit members on behalf of eligible foreign investors in accordance with its relevant rules. Since the introduction in August 2018 of delivery versus payment (DVP) settlement in respect of Bond Connect, the movement of cash and securities is carried out simultaneously on a real time basis.

Pursuant to the prevailing regulations in the PRC, the Central Moneymarkets Unit, being the offshore custody agent recognised by the Hong Kong Monetary Authority opens omnibus nominee accounts with the onshore custody agent recognised by the PBOC (i.e., the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds

traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner. Therefore, a Fund will be exposed to custody risks with respect to Central Moneymarkets Unit. In addition, as the relevant filings, registration with the PBOC, and account opening have to be carried out by third parties, including Central Moneymarkets Unit, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and CFETS, a Fund is subject to the risks of default or errors on the part of such third parties.

The precise nature and rights of a Fund as the beneficial owner of the bonds traded in the China Interbank Bond Market through Central Moneymarkets Unit as nominee is not well-defined under PRC law. There is a lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of a Fund under PRC law are also uncertain.

### ***Other Investment Policy Related Risks***

#### ***Smaller Capitalisation Companies***

The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the Net Asset Value of a Fund.

#### ***Exclusionary Policy***

##### ***Actively Managed Funds***

In respect of the Funds, which are actively managed funds, the Investment Manager and any Sub-Investment Managers appointed by it in respect of such a Fund will also take into account ESG characteristics when selecting the Fund's investments. Investors should refer to Appendix A of this Supplement for the Exclusionary Policy applied in respect of the Funds. In assessing a security or an issuer based on ESG characteristics, the Investment Manager and any Sub-Investment Managers will be dependent upon information and data from third party ESG research providers, which may be incomplete, inaccurate or unavailable. The Investment Manager may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. There may also be a time lag between the date as at which the data is captured and the date on which the data is used, which may impact the timeliness and quality of the data. As a result, there is a risk that the Investment Manager and any such Sub-Investment Managers may incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, any Sub-Investment Managers or third party ESG research providers on which the Investment Manager and the Sub-Investment Managers may depend, may not interpret or apply the relevant ESG characteristics correctly. None of any relevant Fund, the ICAV, the Manager, the Investment Manager, any Sub-Investment Manager appointed by the Investment Manager or any of their affiliates makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG assessment.

When applying a Fund's Exclusionary Policy in selecting a Fund's investments, certain external Sub-Investment Managers may use data from one or more external ESG research providers and/or ESG data generated by the Investment Manager using data from one or more external ESG research providers, at a point in a month and updated on a monthly basis. There may also be a time lag between the date as at which the data is obtained and the date on which the data is used, which may impact the timeliness and quality of the data. These data time lags mean that securities of issuers which have had an event of serious controversy or change in business activities or revenues or change in ranking that would fall within the exclusionary criteria in the relevant Fund's Exclusionary Policy since the last monthly update of the ESG data used, may be acquired by the Fund if, based on the last data update, they are eligible for inclusion in the Fund. These securities may be held by the Fund until the next point at which the ESG data is updated and used. When the ESG data from the next data update shows that such securities are no longer eligible for inclusion in the Fund, they will be removed from the portfolio when it is possible and practicable (in the Investment Manager's view) to liquidate the position. At the time that the affected securities are removed from the Fund, the price of the securities (in particular securities of companies impacted by an event of serious controversy) may have been impacted negatively, and the Fund could therefore be selling the affected securities at a relatively low price point in order to meet its Exclusionary Policy.

Investors may wish to make their own personal assessment of the extent of ESG related screening undertaken by a Fund (including, where relevant, through use of a Benchmark Index) prior to investing. Investor sentiment towards issues perceived as being ESG conscious may change over time, which may affect the demand for a Fund applying ESG criteria and may impact any such Fund's performance.

The application of ESG criteria by a Fund may result in such Fund foregoing opportunities to purchase, or otherwise reducing exposure to or underweighting, certain securities when it might otherwise be advantageous to carry out such purchase or maintain its holding of such securities, and/or selling securities due to their ESG characteristics, when to do



so might otherwise be disadvantageous. As such, the use of such criteria may affect a Fund's investment performance and a Fund may perform differently compared to similar funds that do not apply such criteria. If the Investment Manager's assessment of ESG characteristics of a security changes, guiding the Investment Manager and/or any Sub-Investment Manager to sell a security already held or to buy a security not held, none of the Fund, the ICAV, the Manager, the Investment Manager, any Sub-Investment Manager or their affiliates accept liability in relation to that assessment.

### ***Sustainability Risk***

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in a Fund.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly by Fund.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a Fund may invest in the equity or debt of an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of shares in a Fund.

The impact of those risks may be higher for Funds with particular sectoral or geographic concentrations e.g., Funds with geographical concentration in locations susceptible to adverse weather conditions where the value of the investments in the Funds may be more susceptible to adverse physical climate events or Funds with specific sectoral concentrations such as investing in industries or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks.

All or a combination of these factors may have an unpredictable impact on the relevant Fund's investments. Under normal market conditions such events could have a material impact on the value of shares of the Fund.

Assessments of sustainability risk are specific to the asset class and to the Funds' objectives. Different asset classes require different data and tools to apply heightened scrutiny, assess materiality, and make meaningful differentiation among issuers and assets. Risks are considered and risk managed concurrently, by prioritizing based on materiality and on the Fund's objective.

In addition, for the Index Tracking Funds, while the relevant index providers do provide descriptions of what each Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

The impacts of sustainability risk on the return of the Funds is likely to be low, however, this may develop over time. New sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available and the regulatory environment regarding sustainable finance evolves. These emerging risks may have further impacts on the value of shares in the Funds.

### ***Cybersecurity risk***

A Fund or any of the service providers, including the Manager and the Investment Manager, may be subject to risks resulting from cybersecurity incidents and/or technological malfunctions.

A cybersecurity incident is an event that may cause a loss of proprietary information, data corruption or a loss of operational capacity. Cybersecurity incidents can result from deliberate cyber attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through hacking or malicious

software coding) for the purposes of misappropriating assets or sensitive information, corrupting data, releasing confidential information without authorisation or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial of-service attacks on websites, which may make network services unavailable to intended users. The issuers of securities and counterparties to other financial instruments in which a Fund invests may also be subject to cybersecurity incidents. Cybersecurity incidents may cause a Fund to suffer financial losses, interfere with a Fund’s ability to calculate its Net Asset Value, impede trading, disrupt the ability of investors to subscribe for, exchange or redeem their Shares, violate privacy and other laws and incur regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Cyber-attacks may render records of assets and transactions of a Fund, Shareholder ownership of Shares, and other data integral to the functioning of a Fund inaccessible, inaccurate or incomplete. In addition, substantial costs may be incurred in order to prevent any cybersecurity incidents in the future which may adversely impact a Fund.

While the Manager and the Investment Manager have established business continuity plans and risk management strategies to seek to prevent cybersecurity incidents, there are inherent limitations in such plans and strategies, including the possibility that certain risks have not been identified given the evolving nature of the threat of cyber-attacks. Furthermore, none of the Funds, the Manager or the Investment Manager can control the business continuity plans or cybersecurity strategies put in place by other service providers to a Fund or issuers of securities and counterparties to other financial instruments in which a Fund invests.

Technological malfunctions may occur from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors cause by services providers. Whilst the Manager and the Investment Manager seek to minimise such events through controls and oversight, there may still be failures that could cause losses to the Funds.

The Investment Manager rely on its third party service providers for many of their day-to-day operations and will be subject to the risk that the protections and policies implemented by those service providers will be ineffective to protect the Investment Manager or a Fund from cyber-attack and/or technological malfunction.

**Operational risk**

The Funds are exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. The Manager seeks to reduce these operational risks through controls and procedures and, through its monitoring and oversight of providers of services for the Funds, and also seeks to ensure that such service providers take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors. However, it is not possible for the Manager and other service providers to identify and address all of the operational risks that may affect a Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

A Fund’s operations (including investment management, distribution, collateral management, administration and currency hedging) are carried out by several service providers which are selected based on a rigorous due diligence process.

Nevertheless, the Manager and other service providers to the Funds may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, provision or receipt of erroneous or incomplete data, resulting in operational risk which may have a negative effect on the Fund’s operations and may expose the Fund to a risk of loss. This can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, provision or receipt of erroneous or incomplete data or loss of data, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. Investors could experience delays (for example, delays in the processing of subscriptions, switching and redemption of Shares) or other disruptions.

While the Manager seeks to minimise operational errors as set out above, there may still be failures that could cause losses to a Fund and reduce the value of the Fund.

**FEES AND EXPENSES**

**Establishment Expenses of the Funds**

All fees and expenses relating to the establishment of any new Share Class or Fund will be borne by the relevant Share Class or Fund and amortised over the first five financial years of the relevant Share Class or the relevant Fund or such other period as the Manager may determine, commencing six months after the date of the first issue of Shares in the Fund or such other period as the Manager may determine. The fees and expenses relating to the establishment of the Funds are not expected to exceed the amounts stated below:

Fund	Estimated Establishment Fees and Expenses
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QMM Actively Managed Continental European Equity Fund	€32,000
QMM Actively Managed Global High Yield Corporate Bond Fund	€32,000
QMM Actively Managed Global Investment Grade Corporate Bond Fund	€32,000
QMM Actively Managed US Equity Fund	€32,000

### Subscription and Redemption Fees

Save for any redemption fee charged to an investor in connection with the Manager's Excessive Trading Policy (see the sub-section entitled "Excessive Trading Policy" in the Prospectus), no subscription or redemption fees will be charged.

### Fees of the Manager and Service Providers

#### Manager's Fees

The Manager is entitled to charge a fee calculated as a percentage per annum on the Net Asset Value of each Fund or relevant Share Class as follows:

Fund	Class	Fee payable to Manager as a percentage of the NAV of the relevant Share Class (per annum)
QMM Actively Managed Continental European Equity Fund	Q	Up to 0.75%
	NQ	Up to 1.50%
QMM Actively Managed Global High Yield Corporate Bond Fund	Q	Up to 0.55%
	NQ	Up to 1.10%
QMM Actively Managed Global Investment Grade Corporate Bond Fund	Q	Up to 0.45%
	NQ	Up to 0.90%
QMM Actively Managed US Equity Fund	Q	Up to 0.75%
	NQ	Up to 1.50%

The expenses of the Manager shall be included in this Management Fee. The Manager will be responsible for discharging, from this fee, all fees (including reasonable out of pocket expenses) of the Investment Manager. The Investment Manager will, in turn, be responsible for discharging the fees of any Sub-Investment Manager that it appoints in respect of any Fund. Different Management Fees may be charged to different Share Classes of the same Fund and accordingly the Management Fees payable in respect of a particular Share Class may be higher or lower than the fees charged to other Share Classes.

The fees of the Manager (together with any applicable VAT thereon) will be accrued on a daily basis and will be paid monthly in arrears.

#### Depositary and Custody Fees

The Depositary is entitled to charge a fee of up to 0.005% per annum of the Net Asset Value of the Fund to be paid out of the property of the Fund

The Depositary is entitled to increase such fee in respect of certain Share Classes. Shareholders will be notified in writing in advance of any proposed increase of such fees.

The Depositary is also entitled to receive payment out of the property of the ICAV and any relevant Fund for custody services consisting of:

- a fixed fee for each transaction of between €1.50 to €76 depending on the type, size and geographical location of the assets held by the Depositary ("Custody Transaction Fees");
- and a variable safekeeping charge of between 0.0006% to 0.36% depending on the size and geographical location of the assets held by the Depositary ("Custody Safekeeping Fees"), (Custody Transaction Fees and Custody Safekeeping Fees together being the "Custody Fees").

The Custody Fees vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the Manager. Custody Fees accrue and are payable as agreed from time to time by the Manager and the Depositary. Where a Fund invests in the units or shares of a UCITS and/or another collective investment scheme that is managed by the Manager or by an Interested Party, the Manager will endeavour to negotiate (but does not guarantee) a reduction in any Custody Fees applicable to such investment.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking

services, holding money on deposit, lending money, or engaging in derivative transactions, in relation to a Fund and may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the UCITS Regulations.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the UCITS Regulations or by the general law.

On a winding up of a Fund, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Depositary or of the Manager) who has had the relevant duty delegated to it pursuant to the UCITS Regulations by the Depositary.

The fees of the Depositary (together with any applicable VAT thereon) will be accrued on a daily basis and will be paid monthly in arrears.

#### *Administrator's Fees*

The Administrator is entitled to charge a fee of up to 0.009% per annum of the Net Asset Value of the Fund to be paid out of the property of the Fund.

The Administrator is entitled to increase such fee in respect of certain Share Classes. Shareholders will be notified in writing in advance of any proposed increase of such fees. In addition, the Administrator is entitled to receive per account based structural charges.

The fees of the Administrator (together with any applicable VAT thereon) will be accrued on a daily basis and will be paid monthly in arrears.

#### **Fees in Underlying CIS**

The Funds may, subject to the conditions set out in Appendix D of the Prospectus and where permitted pursuant to its investment policy as set out in Appendix A of the Prospectus, invest in other CIS, which may be operated and/or managed by a member of the BlackRock Group including, but not limited to, funds of Institutional Cash Series plc. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a Shareholder in the Funds, each Shareholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and, administration and other expenses.

#### **Paying Agents and Local Intermediaries**

Local regulations may, from time to time, require the appointment of paying agents and/or other local agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Such local intermediaries shall be appointed in accordance with the requirements of the Central Bank.

The fees of any such intermediate entity will be at normal commercial rates and will be borne by the Shareholders who will avail of the services provided by such agent. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via such an intermediary entity rather than directly to or from the Depositary (e.g. a sub-distributor or agent in the local jurisdiction) will bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediate entity to the relevant investor.

#### **External Research**

Any external research received by the Investment Manager in connection with investment services that the Investment Manager provides to the Funds will be paid for by the Investment Manager out of its own resources. Where a Sub-Investment Manager is appointed to a Fund, the Investment Manager will take reasonable steps to ensure that the costs of any external research received by the Sub-Investment Manager in respect of its investment services to the Fund are not borne by the Fund. Sub-Investment Managers may aggregate the trades of the Fund with those of their other client accounts that do bear external research costs, and such aggregation may result in the Fund being subject to higher execution costs when compared to other client accounts within the aggregated trading block. When this is the case, the Sub-Investment Managers remain responsible to ensure that the Fund is not charged for the external research, they act in the best interest of the Fund, and take all reasonable steps to obtain best execution in consideration of all relevant execution factors.

## **Operating Expenses**

The ICAV will also pay out of the assets of each Fund all operating expenses of the ICAV and the Funds, including without limitation:

- a) stamp duties;
- b) taxes;
- c) any ESG labelling or licensing fees;
- d) brokerage, government charges, bank charges, foreign exchange commissions and spreads, commissions, interest, transfer fees, registration fees and other fees and expenses of acquiring and disposing of investments for any Funds;
- e) interest on any permitted borrowings and bank and professional charges incurred in negotiating, effecting or varying terms of such borrowings;
- f) fees and expenses of the directors of the Manager (to the extent attributable to the ICAV and the Funds) and of the directors of the ICAV, which shall be charged at normal commercial rates;
- g) fees and expenses of the auditors, tax, legal and other professional advisers (including all costs associated with the production of reports and accounts, and the fees and expenses of the secretary to the ICAV for its services (which may, to the extent it is determined by the ICAV that such services shall be performed by a member of the BlackRock Group, include the reasonable fees and expenses of such member for performing such services)), which shall be charged at normal commercial rates;
- h) any index and data licensing fees;
- i) fees and expenses in connection with the distribution of Shares and costs of registration and/or authorisation of the ICAV and any Fund(s) in any jurisdiction outside of Ireland;
- j) any annual levy or other fees payable to the Central Bank;
- k) any costs incurred as a result of periodic updates required by applicable law or regulation of the Prospectus, Supplements, KIIDs or as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- l) any costs incurred in hedging the foreign currency exposure of a Fund or a Share Class;
- m) any costs incurred in connection with preparing and distributing annual and half-yearly reports and of other reports and notifications to investors;
- n) any necessary printing and translation fees;
- o) in respect of each financial year of the Fund in which expenses are being determined, such proportion (if any) of the establishment and reconstruction expenses as are being amortised in that year;
- p) any costs or fees associated with, or payable to any entity (which may include the Manager, the Investment Manager, any Sub-Investment Manager and their respective affiliates) in connection with any transition activity in relation to any Fund;
- q) any extraordinary or exceptional costs and expenses as may arise from time to time such as material litigation in relation to the ICAV or any Fund;
- r) any other fees and expenses relating to the management and administration of the ICAV and/or the Funds or attributable to the investments of the Funds; and
- s) fees and expenses arising in relation to the liquidation, reconstruction, re-structuring, amalgamation or merger of the Funds (including legal fees, taxes and the costs of dealing in assets).

The operating expenses payable out of the assets of each Fund may also include index and data licensing fees payable by the Investment Manager and the Sub-Investment Managers in connection with their provision of services for each Fund, which may be recharged to the relevant Fund.

The above operating expenses will be determined on the last Dealing Day of each month. Such fees will be accrued on a daily basis and will be paid monthly in arrears.

Please see section 7 ("Fees and Expenses") of the Prospectus for further information on the additional fees and expenses which may be borne by the ICAV and each of the Funds and their allocation.

## **TAXATION**

Before investing in any of the Funds, please read section 7 ("Taxation") of the Prospectus in full.

### **Belgian Taxation**

Belgian net asset tax is incurred by funds distributing into Belgium. The net asset tax of 0.0925% applies to the net outstanding assets of the funds placed in Belgium as of 31 December each year. The net outstanding amount is the net asset value of the funds held by Belgian investors or through a Belgian intermediary. The tax must be paid by 31 March each year and is paid out of the relevant Fund so while likely to be a small amount, it does impact all investors within such a Fund.

### **German Tax Rules – Equity Funds**

It is the intention of the Manager to seek to maintain the status as “equity funds” or “mixed funds” (as applicable) pursuant to Sec. 2 para. 6 and 7 of the German Investment Tax Act as applicable from 1 January 2018 for the Funds listed below. Accordingly, as of the date of this Supplement and notwithstanding any other provision in this Supplement or the Prospectus (including Appendix D of the Prospectus):

- (a) each of the following Funds (“equity funds”) invests more than 50% of its Gross Assets on a continuous basis directly into Equities as defined below in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018:

QMM Actively Managed Continental European Equity Fund and QMM Actively Managed US Equity Fund.

- (b) each of the following Funds (“mixed funds”) invests at least 25% of its Gross Assets on a continuous basis directly into Equities as defined below in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018:

No mixed funds as at the date of this Supplement.

The “Gross Assets” of the Funds are defined as the value of the assets of the respective Fund without considering liabilities of such Fund (Sec. 2 para. 9a sentence 1 of the German Investment Tax Act as applicable from 1 January 2018).

Corporate actions, subscriptions/redemptions, index rebalancings and market movements may temporarily cause a Fund not to meet the Equities investment levels set out above. In such a case, the Fund will take possible and reasonable measures to re-establish the indicated investment levels without undue delay after getting knowledge of the shortfall. The Funds may also enter into securities lending for the purpose of efficient portfolio management. The Equities investment levels set out above are exclusive of Equities that are lent out.

For the purpose of the above percentage numbers, “Equities” means in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018:

1. Shares of a corporation which are admitted to official trading on a stock exchange or listed on an organised market (which is a market recognised and open to the public and which operates in a due and proper manner),
2. Shares of a corporation, which is not a real estate company and which:
  - (a) is resident in an EU member state or a member state of the EEA and is subject to income taxation for corporations in that state and is not tax exempt; or
  - (b) is resident in any other state and is subject to an income taxation for corporations in that state at a rate of at least 15% and is not exempt from such taxation,
3. Fund units of an equity fund (being a fund that invests more than 50% of its Gross Assets on a continuous basis directly in Equities) with 51% of the equity fund units' value – or, if the investment conditions of the equity fund provide for a higher minimum Equities investment, with the respective higher percentage of the equity fund units' value – being taken into account as Equities, or
4. Mixed funds provision: Fund units of a mixed fund (being a fund that invests at least 25% of its Gross Assets on a continuous basis directly in Equities) with 25% of the mixed fund units' value – or, if the investment conditions of the mixed fund provide for a higher minimum Equities investment, with the respective higher percentage of the equity fund units' value – being taken into account as Equities.

For purposes of calculating the investment levels set out above, the Funds may also consider the actual Equities quotas of the target funds published on each valuation day, provided that a valuation takes place at least once per week.

For the purpose of the above percentage numbers, the following in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018 do not qualify as “Equities”:

1. Shares in partnerships, even if the partnerships are holding themselves shares in corporations,
2. Shares in corporations, which pursuant to Sec. 2 para. 9 sentence 6 of the German Investment Tax Act qualify as real estate,
3. Shares in corporations which are exempt from income taxation, to the extent these corporations are distributing their profits, unless the distributions are subject to a taxation of at least 15% and the investment fund is not exempt from this taxation, and

4. Shares in corporations,

- (a) whose income is directly or indirectly to more than 10% derived from shares in corporations, which do not fulfil the requirements of no. 2 a. or b. above, or
- (b) which are holding directly or indirectly shares in corporations that do not fulfil the requirements of no. 2. a. or b. above, if the value of these participations amounts to more than 10% of the market value of the corporations.

The above reflects the Manager's understanding of the relevant German tax legislation at the date of this Prospectus. The legislation is subject to change and so adjustments to these figures may be made without prior notice.

Investors should refer to their tax advisors in relation to the implications of the Funds obtaining the status as "equity funds" or "mixed funds" (as applicable) pursuant to Sec. 2 para. 6 and 7 of the German Investment Tax Act as applicable from 1 January 2018.



## APPENDIX A: EXCLUSIONARY POLICY

In addition to the investment criteria set out in the investment objective and policy of the relevant Fund (see the section of this Supplement entitled "Investment Objectives and Policies"), when selecting investments to be held directly by a Fund, the Investment Manager intends to invest a certain portion of the Fund (as set out in the Fund's Pre-Contractual Disclosure in Appendix D) in Sustainable Investments and to apply exclusionary screens based on the ESG related characteristics set out below. The Investment Manager intends to limit and/or exclude direct investment (as applicable) in issuers which are identified using available data from an external ESG research provider as being involved in certain activities as described in summary below (involvement may be based on either the issuer's activity exceeding a certain revenue threshold or the issuer having any direct engagement in the activity) and which may be amended from time to time at the Investment Manager's discretion.

1. Issuers which are engaged in, or are otherwise exposed to, the production of weapons (including, but not limited to, civilian firearms, small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons) and/or deriving more than 5% of their revenue from the distribution and supply of small arms.
2. Issuers deriving more than 5% of their revenue from thermal coal extraction.
3. Issuers deriving more than 5% of their revenue from thermal coal power generation and issuers who are deriving more than a certain portion of revenue from the production of oil tar sands (also known as oil sands).
4. Issuers deriving more than 5% of their revenue from oil and gas production, or 25% of their revenue from the provision of certain auxiliary services related to oil and gas.
5. Issuers deriving more than 5% of their revenue from involvement in the production of nuclear power, or 15% of their revenue from the distribution or provision of auxiliary services related to nuclear power.
6. Issuers engaged in the production of tobacco or deriving more than 5% of their revenue from tobacco distribution, retail, and supply of certain tobacco-related products.
7. Issuers deriving more than 5% of their revenue from alcohol production, or 15% of their revenue from the retail, and supply of certain alcohol-related products.
8. Issuers deriving more than 5% of their revenue from the development, or 15% of the revenue from the growth of genetically modifying plants and other organisms intended for agricultural use or human consumption.
9. Issuers deriving more than 5% of their revenue from operation of gambling related activities, or 15% of their revenue from products, services, equipment or facilities related to gambling.
10. Issuers deriving more than 5% of their revenue from the production, or 15% of their revenue from the distribution of adult entertainment materials.
11. Issuers deriving more than 5% of their revenue from military contracting.
12. Issuers which have been indicated as involved in one or more very severe controversies by MSCI ESG Controversies relating to: (i) biodiversity and land use; (ii) water stress; (iii) operational waste (non-hazardous); and (iv) toxic emissions and waste.

In relation to QMM Actively Managed Global High Yield Corporate Bond Fund and QMM Actively Managed Global Investment Grade Corporate Bond Fund only, in addition to the relevant exclusionary criteria above, the Investment Manager intends to limit and/or exclude direct investment (as applicable) in sovereign issuers and related local authority issuers, which are identified, using available data from an ESG research provider, as being deemed to:

1. be involved in social violations and as such may be subject to broad arms embargoes imposed through UN sanctions;
2. be lower ranking issuers in the BlackRock Sovereign Sustainable Index;
3. be lower ranking issuers as assessed by the JP Morgan ESG Methodology; and
4. be higher ranking issuers in the Global Peace Index.

To undertake this analysis to apply the exclusionary criteria and select Sustainable Investments, the Investment Manager will use data (a) provided by one or more external ESG research providers, and/or (b) generated internally by the

Investment Manager and/or its affiliates using data provided by one or more external ESG research providers.

Where the Investment Manager appoints one or more external Sub-Investment Managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external Sub-Investment Managers may use data (a) from one or more external ESG research providers, and/or (b) generated by the Investment Manager using external ESG research provider data, at a point in a month, and updated on a monthly basis, to apply the exclusionary criteria and select Sustainable Investments. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update that shows that the issuers should be excluded at which point the holding may be divested as soon as reasonably practicable.

Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure to a single line security through derivatives or through American Depositary Receipts (“ADRs”) or Global Depositary Receipts (“GDRs”), the Exclusionary Policy will apply to the underlying single line security rather than the derivative instrument, ADR or GDR itself. Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure through derivatives to an underlying which is not a single line security (such as an index derivative), or invests through CIS used for cash management purposes, the Exclusionary Policy may not be applied to such investments at all or may only partially apply. The Exclusionary Policy will not be applied to any securitisations (including any issuance related to asset backed securities (ABS) or mortgaged backed securities (MBS)) acquired by the Funds.

Good governance checks are also carried out on the issuers to exclude issuers which have been identified, using available data from external ESG research providers, to have (i) failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption), or (ii) been involved in one or more very severe ESG controversies relating to (a) sound management structure (b) remuneration of staff (c) employee relations and (d) tax compliance (collectively, the “Good Governance exclusionary criteria”). BlackRock uses third-party data for this assessment, and in some cases or where the companies are not covered, supplements this assessment with fundamental insights.

Where the Investment Manager appoints one of more Sub-Investment Managers (which may be Affiliates of the Investment Manager and/or external Sub-Investment Managers) to provide investment management and advisory services in respect of all or part of the assets of the Funds, certain external Sub-Investment Managers may use data (a) from one or more external ESG research providers, and/or (b) generated by the Investment Manager using external ESG research provider data, at a point in a month, and updated on a monthly basis, to apply the Good Governance exclusionary criteria. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update that shows that the issuers should be excluded at which point the holding may be divested as soon as reasonably practicable.

Further information about the ESG screens used by the Investment Manager, including information on how the limits and exclusions (as set out in the above paragraph) are applied, can be obtained from the Investment Manager on request. It is the Investment Manager’s intention that the Exclusionary Policy of the Funds will evolve and advance over time as improved data and more research on this subject becomes available. Any changes to the Exclusionary Policy will be implemented in the Funds at the Manager’s discretion and without notification to Shareholders unless the change, in the sole opinion of the Manager and/or Investment Manager, materially impacts the relevant Fund’s investment objective and policy. Should any Fund holdings, compliant at the time of investment with the Fund’s Exclusionary Policy, subsequently become ineligible, they may continue to be held until it is possible and practicable (in the Investment Manager’s view) to be divested by the relevant Fund (within a reasonable period of time not expected to exceed 60 days).

## APPENDIX B: TOTAL RETURN SWAPS, REPURCHASE AGREEMENTS AND SECURITIES LENDING

### Total Return Swaps

Any assets of the Funds (for the purposes of the remainder of this Appendix B, together the “Funds”) specified in the table below may be subject to total return swaps. The table below specifies the maximum and expected proportion of the Net Asset Value of each Fund that can be subject to total return swaps. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

<b>Fund</b>	<b>TRS: Maximum proportion of Net Asset Value</b>	<b>TRS: Expected proportion of Net Asset Value</b>
QMM Actively Managed Continental European Equity Fund	20%	0%
QMM Actively Managed Global High Yield Corporate Bond Fund	20%	0%
QMM Actively Managed Global Investment Grade Credit Corporate Bond Fund	20%	0%
QMM Actively Managed US Equity Fund	10%	0%

### Repurchase and Reverse Repurchase Agreements

Any assets of a Fund may be subject to repurchase and reverse repurchase agreements. The table below specifies the maximum and expected proportion of the Net Asset Value of each Fund that can be subject to repurchase and reverse repurchase agreements. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

<b>Fund</b>	<b>Repurchase and reverse repurchase agreements: Maximum proportion of Net Asset Value</b>	<b>Repurchase and reverse repurchase agreements: Expected proportion of Net Asset Value</b>
QMM Actively Managed Continental European Equity Fund	0%	0%
QMM Actively Managed Global High Yield Corporate Bond Fund	5%	0%
QMM Actively Managed Global Investment Grade Corporate Bond Fund	20%	5%
QMM Actively Managed US Equity Fund	10%	0%

Where a Fund engages with a counterparty in the context of a Securities Financing Transaction within the meaning of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the “SFTR”) (i.e. (i) a repurchase transaction; and/or (iii) securities lending transaction, each as defined in the SFTR) and/or a total return swap), the criteria for selecting that counterparty shall be: (i) that they are institutions subject to prudential supervision and belonging to categories approved by the Central Bank; and (ii) those outlined in sub-section B.(2.)(f) of Appendix C of the Prospectus and sub-section E of Appendix C.10 of the Prospectus.

### Securities Lending

Any assets of a Fund may be subject to securities lending. The table below specifies the maximum and expected proportion of the Net Asset Value of each Fund that can be subject to securities lending. The demand to borrow securities is a significant driver for the amount that is actually lent from a Fund at a given

time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Based on historical data, lending volumes for the Funds are typically in the ranges set out below, though past levels are no guarantee of future levels.

<b>Fund</b>	<b>Securities lending: Maximum proportion of Net Asset Value</b>	<b>Securities lending: Expected proportion of Net Asset Value</b>
QMM Actively Managed Continental European Equity Fund	0%	0%
QMM Actively Managed Global High Yield Corporate Bond Fund	0%	0%
QMM Actively Managed Global Investment Grade Corporate Bond Fund	0%	0%
QMM Actively Managed US Equity Fund	0%	0%

**APPENDIX C: AVAILABLE SHARE CLASSES**

<b>QMM Actively Managed Continental European Equity Fund</b>
Class Q EUR Acc Class Q EUR Dist Class NQ EUR Acc Class NQ EUR Dist Class Q GBP Acc Class Q GBP Dist Class NQ GBP Acc Class NQ GBP Dist Class Q GBP Hedged Acc Class Q GBP Hedged Dist Class NQ GBP Hedged Acc Class NQ GBP Hedged Dist Class Q USD Acc Class Q USD Dist Class NQ USD Acc Class NQ USD Dist Class Q USD Hedged Acc Class Q USD Hedged Dist Class NQ USD Hedged Acc Class NQ USD Hedged Dist
<b>QMM Actively Managed Global High Yield Corporate Bond Fund</b>
Class Q EUR Acc Class Q EUR Dist Class NQ EUR Acc Class NQ EUR Dist Class Q GBP Acc Class Q GBP Dist Class NQ GBP Acc Class NQ GBP Dist Class Q GBP Hedged Acc Class Q GBP Hedged Dist Class NQ GBP Hedged Acc Class NQ GBP Hedged Dist Class Q USD Acc Class Q USD Dist Class NQ USD Acc Class NQ USD Dist Class Q USD Hedged Acc Class Q USD Hedged Dist Class NQ USD Hedged Acc Class NQ USD Hedged Dist
<b>QMM Actively Managed Global Investment Grade Corporate Bond Fund</b>
Class Q EUR Acc Class Q EUR Dist Class NQ EUR Acc Class NQ EUR Dist Class Q GBP Acc Class Q GBP Dist Class NQ GBP Acc Class NQ GBP Dist Class Q GBP Hedged Acc Class Q GBP Hedged Dist Class NQ GBP Hedged Acc Class NQ GBP Hedged Dist Class Q USD Acc



Class Q USD Dist  
Class NQ USD Acc  
Class NQ USD Dist  
Class Q USD Hedged Acc  
Class Q USD Hedged Dist  
Class NQ USD Hedged Acc  
Class NQ USD Hedged Dist

**QMM Actively Managed US Equity Fund**

Class Q EUR Acc  
Class Q EUR Dist  
Class NQ EUR Acc  
Class NQ EUR Dist  
Class Q EUR Hedged Acc  
Class Q EUR Hedged Dist  
Class NQ EUR Hedged Acc  
Class NQ EUR Hedged Dist  
Class Q GBP Acc  
Class Q GBP Dist  
Class NQ GBP Acc  
Class NQ GBP Dist  
Class Q GBP Hedged Acc  
Class Q GBP Hedged Dist  
Class NQ GBP Hedged Acc  
Class NQ GBP Hedged Dist  
Class Q USD Acc  
Class Q USD Dist  
Class NQ USD Acc  
Class NQ USD Dist

## **APPENDIX D: PRE-CONTRACTUAL DISCLOSURE**

This Appendix comprises the pre-contractual disclosure “PCDs” for those Funds classified as Article 8 products/funds pursuant to SFDR. These PCDs are intended to ensure that all sustainability claims of relevant Funds are supported with information and that this is done in a way that enables investors to compare funds. The form of disclosure is mandated by the European Commission and the Manager is not permitted to amend or deviate from the template.

The PCDs introduce some new terms to the Supplement (some are described below) which should be read alongside: (i) the section of this Supplement which describes the investment objective and policy of each Fund classified as an Article 8 financial product; and (ii) the information available on the product pages of the BlackRock website, [www.blackrock.com](http://www.blackrock.com).

Sustainable Investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices. It is a term that is strictly defined by SFDR and so even though an investment might, in everyday terms, be reasonably considered to be in sustainable asset it may not qualify as a Sustainable Investment under the technical definition in SFDR. Investors may wish to make a personal assessment of the sustainable and ESG characteristics of a Fund prior to investing.

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

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

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance. BlackRock ensures Good Governance checks are incorporated into the strategies of the Funds by way of excluding issuers based on an ESG controversy score (which measures an issuer’s involvement in ESG related controversies) and also the exclusion of companies that are classified as violating United Nations Global Compact principles.

The Taxonomy Regulation is a classification system, establishing a list of environmentally sustainable economic activities. For the time being, it does not include a list of socially sustainable economic activities. Sustainable Investments with an environmental objective might be aligned with the Taxonomy Regulation or not.

The following Article 8 Funds are covered in this Appendix.

- QMM Actively Managed Continental European Equity Fund
- QMM Actively Managed Global High Yield Corporate Bond Fund
- QMM Actively Managed Global Investment Grade Corporate Bond Fund
- QMM Actively Managed US Equity Fund

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

**Product name: QMM Actively Managed Continental European Equity Fund  
Legal entity identifier: 5299003SOBO4LZBUMC75**

**Environmental and/or social characteristics**

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

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

<b>Does this financial product have a sustainable investment objective?</b>	
<b>• • <input type="checkbox"/> Yes</b>	<b>• <input type="radio"/> <input checked="" type="checkbox"/> No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Fund aims to promote environmental characteristics related to reducing non-renewable natural resource utilisation and pollution by excluding direct investments in companies involved in, for example, coal extraction, coal power generation, oil and gas production and involved in severe controversies relating to, for example, biodiversity and land use, and water stress.

The Fund also aims to promote social characteristics related to (a) reduction of the availability of weapons by excluding direct investment in companies involved in the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons),

(b) better health and well-being by excluding direct investment in companies involved in, for example, tobacco production and supply of tobacco related products, alcohol production and supply of alcohol-related products, the operation of gambling related activities and the production and distribution of adult entertainment, and (c) support for human rights, labour standards, the environment and anti-corruption by excluding direct investment in issuers deemed to have failed to comply with the 10 UN Global Compact Principles.

The definition of “involved” in relation to each activity may be based on generating or deriving a revenue from the activity that exceeds a percentage of revenue or a defined total revenue threshold, or any exposure to the activity regardless of the amount of revenue received. Further detail is included in the response to the question “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?” below.

The Fund invests at least 20% of its holdings in “Sustainable Investments”, as determined by the Investment Manager, which contribute to the objectives outlined below and which are aligned with the environmental and/or social characteristics being promoted by the Fund.

The Fund does not use a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

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

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

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by this Fund include:

1. The Fund’s holdings in Sustainable Investments, as described below.
2. The Fund’s consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.
3. The Fund’s exclusion of holdings in issuers identified by the exclusion criteria set out in the exclusionary screens, as described below.

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

The Fund invests at least 20% of its holdings in Sustainable Investments in pursuit of its investment objective. All Sustainable Investments will be assessed by the Investment Manager to comply with BlackRock’s do no significant harm (DNSH) standard outlined below.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”).

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or
- b) the issuer’s business practices contribute to an Environmental and/or Social Objective.

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

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an investment does significant harm which consider both third-party data points as well as fundamental insights. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments. BlackRock assesses the indicators for adverse impacts on sustainability factors for each type of investment as defined by the regulation.

Criteria for adverse impacts are assessed using third-party vendor data regarding an investment’s business involvement (in specific activities identified as having negative environmental or social impacts) or environmental or social controversies to exclude investments which BlackRock has determined are harmful to sustainability indicators subject to limited exceptions, for example, where the data is determined to be inaccurate or not up to date. Where no data is available, or it is substantially incomplete, fundamental analysis will be undertaken using reasonable efforts to identify impacts which BlackRock determines to be harmful to the sustainability indicators.

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

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

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

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

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

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

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

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



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

- Yes
- No

The Fund considers PAIs on sustainability factors through the application of its exclusionary policy.

The Fund takes into account the following PAIs:

- Exposure to companies active in the fossil fuel sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, this Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.





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

## What investment strategy does this financial product follow?

The Fund seeks to outperform the MSCI Europe Ex UK ESG Select Business Involvement Screens Index over a rolling 3-year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations. In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in the equity securities or equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies incorporated in, listed in, or the main business of which is in, Continental Europe. Depository receipts are investments issued by financial institutions which give exposure to underlying equity securities. The Fund does not have any industry focus.

The Fund will also seek to invest in Sustainable Investments and the equity securities or equity related securities and/or instruments in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A of the Supplement.

In addition, subject to the restrictions set out in Appendix D of the Prospectus, the Fund may invest in other equities and equity-related securities, which may include equity securities and equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies that are not incorporated in, listed in, or have their main business in, Continental Europe. The Fund may also invest in equity and equity related securities of real estate companies and in Real Estate Investment Trusts ("REITs"), and, for liquidity and other ancillary purposes, money market instruments (including certificates of deposits and bank certificates) cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities and equity related securities in which the Fund invests will be traded OTC or listed or traded in the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of the Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative bottom-up (i.e. fundamental analysis/ research on an underlying company) investment process in order to identify equity securities or equity related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of the Supplement.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may invest in FDI (futures and forwards and any other instruments outlined in Appendix C of the Prospectus) for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). The Fund may invest in index futures and options where the underlying index is a broad-based equity index for efficient portfolio management purposes. Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix C of the Prospectus subject to the conditions and within the limits laid down by the Central Bank. The FDI may be dealt OTC or be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus. The counterparties to any swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund.

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

The binding elements of the investment strategy are as follows:

1. Maintain at least 20% of the Fund's portfolio in Sustainable Investments.
2. Apply the following exclusionary screens based on the environmental, social and governance (ESG) related characteristics set out below. The Investment Manager intends to limit and/or exclude direct investment (as applicable) in issuers which are identified as

being involved in certain activities as described in summary below (involvement may be based on either the issuer's activity exceeding a threshold criteria or the issuer having any direct engagement in the activity), namely issuers which:

- are engaged in, or are otherwise exposed to, the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons).
- are engaged in the production of tobacco.
- derive more than:
  - 5% of revenue from distribution or supply of retail small arms.
  - 5% of revenue from thermal coal extraction or power generation.
  - 5% of revenue from oil tar sands production (also known as oil sands).
  - 5% of revenue from oil and gas production, or 25% of revenue from the provision of certain auxiliary services related to oil and gas.
  - 5% of revenue from involvement in the production of nuclear power or 15% of revenue from the distribution or provision of auxiliary services related to nuclear power.
  - 5% of revenue from tobacco distribution, retail, and supply of certain tobacco-related products.
  - 5% of revenue from the production of alcohol or 15% of revenue from the retail, and supply of certain alcohol-related products.
  - 5% of revenue from the development or 15% of revenue from the growth of genetically modifying plants and other organisms intended for agricultural use or human consumption.
  - 5% of revenue from the operation of gambling related activities or 15% of revenue from products, services, equipment or facilities related to gambling.
  - 5% of revenue from the production or 15% of revenue from the distribution of adult entertainment materials.
  - 5% of revenue from military contracting.
- have been indicated as involved in one or more very severe controversies by MSCI ESG Controversies relating to: (i) biodiversity and land use; (ii) water stress; (iii) operational waste (non-hazardous); and (iv) toxic emissions and waste.

To undertake the analysis to apply the exclusionary criteria and select Sustainable Investments, the Investment Manager will use data (a) provided by one or more external ESG research providers, and/or (b) generated internally by the Investment Manager and/or its affiliates using data provided by one or more external ESG research providers.

Where the Investment Manager appoints one or more external Sub-Investment Managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external Sub-Investment Managers may use data as described in the paragraph above, at a point in a month, and updated on a monthly basis, to apply the exclusionary criteria and select Sustainable Investments. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update that shows that the issuers should be excluded, at which point the holding may be divested as soon as reasonably practicable.

Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure to a single line security through derivatives or through American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"), the Exclusionary Policy will apply to the underlying single line security rather than the derivative instrument, ADR or GDR itself. Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure through derivatives to an underlying which is not a single line security (such as an index derivative) or through CIS, the Exclusionary Policy may not be applied to such investments at all or may only partially apply.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, there is no commitment to reduce the scope of investments by a minimum rate.

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

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

Good governance checks are carried out by the Investment Manager on the issuers to exclude issuers which have been identified, using available data from external ESG research providers, to have (i) failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption), or (ii) been involved in one or more very severe ESG controversies relating to (a) sound management structure (b) remuneration of staff (c) employee relations and (d) tax compliance.

Where the Investment Manager appoints one or more external sub-investment managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external sub-investment managers may use data (a) from one or more external ESG research providers, and/or (b) generated by the Investment Manager using external ESG research provider data, at a point in a month, and updated on a monthly basis, to apply the Good Governance exclusionary criteria. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update shows that the issuers should be excluded at which point the holding may be divested as soon as reasonably practicable.



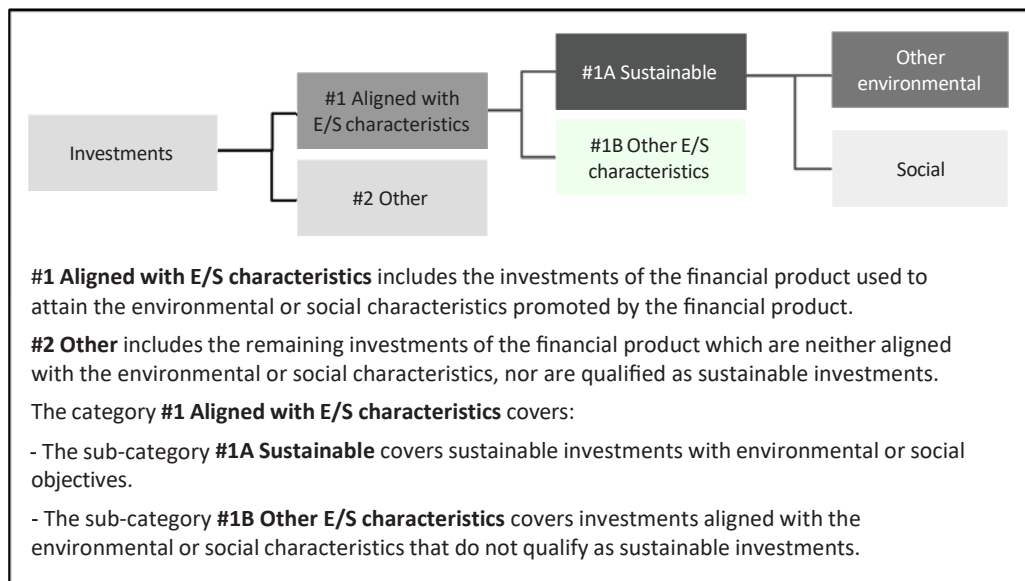
**What is the asset allocation planned for this financial product?**

A minimum of 85% of the Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics). Of these investments, a minimum of 20% of the Fund's total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics). The Fund may invest up to 15% of its total assets in other investments (#2 Other investments).

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

Taxonomy-aligned activities are expressed as a share of:

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



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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



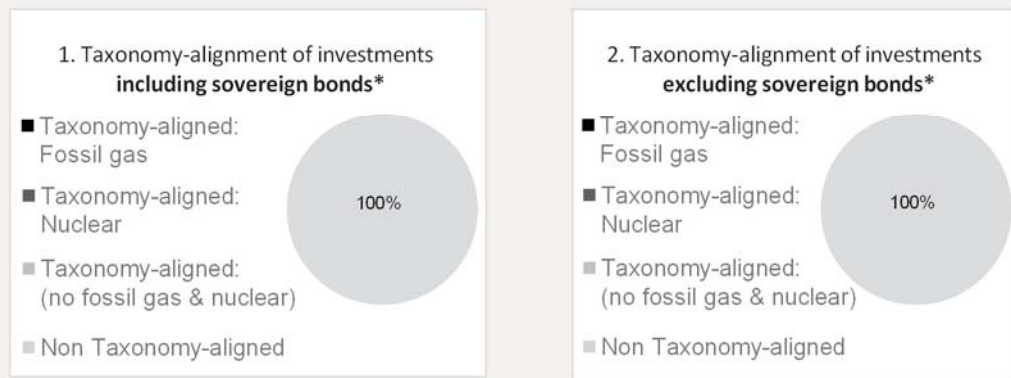
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently commit to investing more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**
  - Yes
  - In fossil gas     In nuclear energy
  - No

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

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



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

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

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

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.

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



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; and / or (ii) underlying economic activities may not be eligible under the EU Taxonomy’s available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



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

Other holdings are limited to 15% and may include certain derivatives instruments, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide.

These investments may be used for investment purposes in pursuit of the Fund’s (non ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.



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

No.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.



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

Not applicable.



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

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

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: [www.blackrock.com](http://www.blackrock.com)

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

**Product name: QMM Actively Managed Global High Yield Corporate Bond Fund  
Legal entity identifier: 529900BHKRSB2BKNGD41**

**Environmental and/or social characteristics**

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

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

Does this financial product have a sustainable investment objective?	
<p><b>• • <input type="checkbox"/> Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><b>• <input type="radio"/> <input checked="" type="checkbox"/> No</b></p> <p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



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

The Fund aims to promote environmental characteristics related to reducing non-renewable natural resource utilisation and pollution by excluding direct investments in companies involved in, for example, coal extraction, coal power generation, oil and gas production and involved in severe controversies relating to, for example, biodiversity and land use, and water stress.

The Fund also aims to promote social characteristics related to (a) reduction of the availability of weapons by excluding direct investment in companies involved in the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons),

(b) better health and well-being by excluding direct investment in companies involved in, for example, tobacco production and supply of tobacco related products, alcohol production and supply of alcohol-related products, the operation of gambling related activities and the production and distribution of adult entertainment, and (c) support for human rights, labour standards, the environment and anti-corruption by excluding direct investment in issuers deemed to have failed to comply with the 10 UN Global Compact Principles.

The definition of “involved” in relation to each activity may be based on generating or deriving a revenue from the activity that exceeds a percentage of revenue or a defined total revenue threshold, or any exposure to the activity regardless of the amount of revenue received. Further detail is included in the response to the question “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?” below.

The Fund invests at least 20% of its holdings in “Sustainable Investments”, as determined by the Investment Manager, which contribute to the objectives outlined below and which are aligned with the environmental and/or social characteristics being promoted by the Fund.

The Fund does not use a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

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

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

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by this Fund include:

1. The Fund’s holdings in Sustainable Investments, as described below.
2. The Fund’s consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.
3. The Fund’s exclusion of holdings in issuers identified by the exclusion criteria set out in the exclusionary screens, as described below.

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

The Fund invests at least 20% of its holdings in Sustainable Investments in pursuit of its investment objective. All Sustainable Investments will be assessed by the Investment Manager to comply with BlackRock’s do no significant harm (DNSH) standard outlined above.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”).

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or
- b) the issuer’s business practices contribute to an Environmental and/or Social Objective.
- c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or
- d) the fixed income securities are aligned with an Environmental and/or Social Objective.

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

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an investment does significant harm which consider both third-party data points as well as fundamental insights. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments. BlackRock assesses the indicators for adverse impacts on sustainability factors for each type of investment as defined by the regulation.

Criteria for adverse impacts are assessed using third-party vendor data regarding an investment’s business involvement (in specific activities identified as having negative environmental or social impacts) or environmental or social controversies to exclude investments which BlackRock has determined are harmful to sustainability indicators subject to limited exceptions, for example, where the data is determined to be inaccurate or

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

not up to date. Where no data is available, or it is substantially incomplete, fundamental analysis will be undertaken using reasonable efforts to identify impacts which BlackRock determines to be harmful to the sustainability indicators.

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

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

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

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

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

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

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



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

- Yes  
 No

The Fund considers PAIs on sustainability factors through the application of its exclusionary policy.

The Fund takes into account the following PAIs:

- Exposure to companies active in the fossil fuel sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)
- Investee countries subject to social violations

In addition, this Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.



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

## What investment strategy does this financial product follow?

The Fund seeks to outperform the Bloomberg MSCI Global Corporate High Yield SRI Screened Select Index (Euro Hedged) over a rolling 3-year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations. In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in fixed income securities (e.g. bonds, notes and debentures), including fixed income securities which are not registered with the Securities Exchange Commission (namely Reg S securities and 144A securities), and instruments relating to fixed income securities and/or instruments (namely options, futures, forwards, currency swaps, interest rate swaps and credit default swaps (including credit default swap indices)) issued in global developed markets and emerging markets by corporate issuers or government-related issuers (including governments, foreign agencies, supranational bodies and local authorities). Such fixed income securities and fixed income related securities will be below investment grade or unrated. The Fund does not have any industry focus. The Fund will not invest in bank loans.

The Fund will also seek to invest in Sustainable Investments and the fixed income securities and instruments relating to fixed income securities in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A of the Supplement.

The Fund may invest up to 25% of its Net Asset Value in emerging markets. Please refer to the risk factors in section 6 of the Prospectus ("Risk Factors") entitled "Emerging markets", "Brazil", "India", "Licensing in India" and "Risks of investing in the China Interbank Bond Market" for further information about particular countries in which the Fund may invest.

In addition, the Fund may, subject to the restrictions set out in Appendix D of the Prospectus, invest in other fixed income and fixed income related securities, which may include fixed income securities and instruments related to fixed income securities that are investment grade or, where unrated, deemed by the Investment Manager to be of an equivalent rating, and, for liquidity and other ancillary purposes, money market instruments (including certificates of deposit, commercial paper and bankers acceptances), cash and/or cash equivalents (such as term deposits and bank certificates). The Fund may also invest up to 10% of its Net Asset Value in asset backed securities, commercial and residential mortgage backed securities, collateralised mortgage obligations, collateralised debt obligations and credit linked notes. The fixed income securities and fixed income related securities in which the Fund invests will be traded OTC or listed or traded in the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of the Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative investment bottom-up (i.e. fundamental analysis/research on an underlying issuer) process in order to identify fixed income securities or fixed income related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of the Prospectus.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may have exposure to fixed income securities traded on markets in India, Brazil and the PRC. The exposure to each of these markets will vary depending on the composition from time to time of the universe of fixed incomes securities used by the Fund, but the Fund will not invest more than 5% of its Net Asset Value in any one of India or Brazil or more than 10% of its Net Asset Value in the PRC. The Fund may invest in FDI (futures, forwards, currency swaps, interest rate swaps, credit default swaps (including credit default swap indices), options and any other instruments outlined in Appendix C of the Prospectus) for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). In particular, the Fund will seek to hedge any non-EUR denominated investments of the Fund into EUR.



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

The binding elements of the investment strategy are as follows:

1. Maintain at least 20% of the Fund's portfolio in Sustainable Investments.
2. Apply the following exclusionary screens based on the environmental, social and governance (ESG) related characteristics set out below. The Investment Manager intends to limit and/or exclude direct investment (as applicable) in issuers which are identified as being involved in certain activities as described in summary below (involvement may be based on either the issuer's activity exceeding a threshold criteria or the issuer having any direct engagement in the activity), namely issuers which:
  - are engaged in, or are otherwise exposed to, the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons).
  - are engaged in the production of tobacco.
  - derive more than:
    - 5% of revenue from distribution or supply of retail small arms.
    - 5% of revenue from thermal coal extraction or power generation.
    - 5% of revenue from oil tar sands production (also known as oil sands).
    - 5% of revenue from oil and gas production, or 25% of revenue from the provision of certain auxiliary services related to oil and gas.
    - 5% of revenue from involvement in the production of nuclear power or 15% of revenue from the distribution or provision of auxiliary services related to nuclear power.
    - 5% of revenue from tobacco distribution, retail, and supply of certain tobacco-related products.
    - 5% of revenue from the production of alcohol or 15% of revenue from the retail, and supply of certain alcohol-related products.
    - 5% of revenue from the development or 15% of revenue from the growth of genetically modifying plants and other organisms intended for agricultural use or human consumption.
    - 5% of revenue from the operation of gambling related activities or 15% of revenue from products, services, equipment or facilities related to gambling.
    - 5% of revenue from the production or 15% of revenue from the distribution of adult entertainment materials.
    - 5% of revenue from military contracting.
  - have been indicated as involved in one or more very severe controversies by MSCI ESG Controversies relating to: (i) biodiversity and land use; (ii) water stress; (iii) operational waste (non-hazardous); and (iv) toxic emissions and waste.
3. In addition to the above, the Investment Manager intends to limit and/or exclude direct investment (as applicable) in sovereign issuers and related local authority issuers, which are identified, using available data from an ESG research provider, as being deemed to:
  1. be involved in social violations and as such may be subject to broad arms embargoes imposed through UN sanctions;
  2. be lower ranking issuers in the BlackRock Sovereign Sustainable Index;
  3. be lower ranking issuers as assessed by the JPMorgan ESG Methodology; and
  4. be higher ranking issuers in the Global Peace Index.

To undertake the analysis to apply the exclusionary criteria and select Sustainable Investments, the Investment Manager will use data (a) provided by one or more external ESG research providers, and/or (b) generated internally by the Investment Manager and/or its affiliates using data provided by one or more external ESG research providers.

Where the Investment Manager appoints one or more external Sub-Investment Managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external Sub-Investment Managers may use data as described in the paragraph above, at a point in a month, and updated on a monthly basis, to apply the exclusionary criteria and select Sustainable Investments. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update that shows that the issuers should be excluded, at which point the holding may be divested as soon as reasonably practicable.

Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure to a single line security through derivatives or through American Depositary Receipts (“ADRs”) or Global Depositary Receipts (“GDRs”), the Exclusionary Policy will apply to the underlying single line security rather than the derivative instrument, ADR or GDR itself. Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure through derivatives to an underlying which is not a single line security (such as an index derivative) or through CIS, the Exclusionary Policy may not be applied to such investments at all or may only partially apply.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, there is no commitment to reduce the scope of investments by a minimum rate.

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

Good governance checks are carried out by the Investment Manager on the issuers to exclude issuers which have been identified, using available data from external ESG research providers, to have (i) failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption), or (ii) been involved in one or more very severe ESG controversies relating to (a) sound management structure (b) remuneration of staff (c) employee relations and (d) tax compliance.

Where the Investment Manager appoints one or more external sub-investment managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external sub-investment managers may use data (a) from one or more external ESG research providers, and/or (b) generated by the Investment Manager using external ESG research provider data, at a point in a month, and updated on a monthly basis, to apply the Good Governance exclusionary criteria. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update shows that the issuers should be excluded at which point the holding may be divested as soon as reasonably practicable.

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



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

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

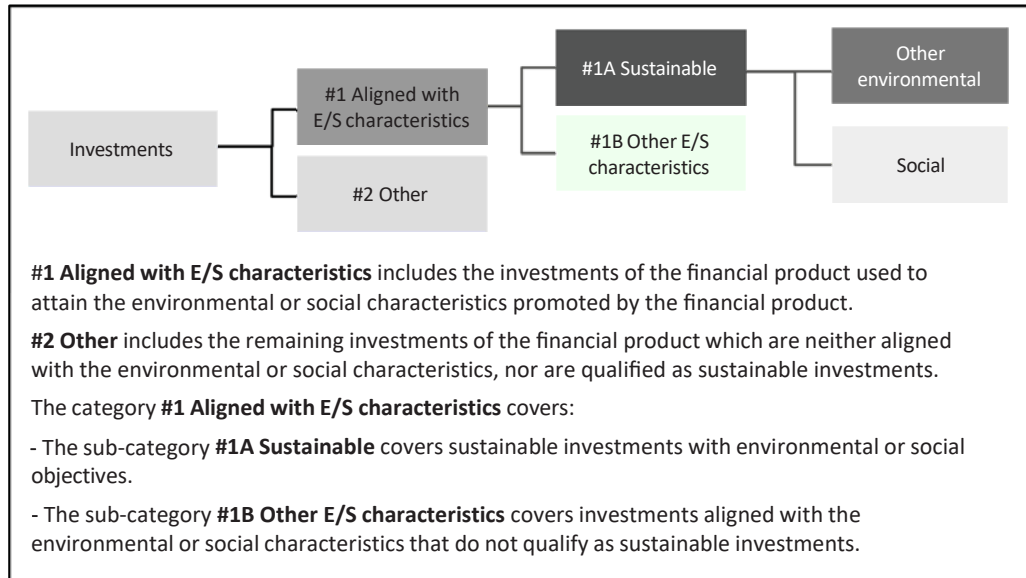
Taxonomy-aligned activities are expressed as a share of:

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

A minimum of 85% of the Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics). Of these investments, a minimum of 20% of the Fund's total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested

in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics).

The Fund may invest up to 15% of its total assets in other investments (#2 Other investments).



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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

The Fund does not currently commit to investing more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**
  - Yes
  - In fossil gas     In nuclear energy
  - No

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

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



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

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

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

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.

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



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; and / or (ii) underlying economic activities may not be eligible under the EU Taxonomy’s available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



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

Other holdings are limited to 15% and may include certain derivatives instruments, cash and near cash instruments, shares or units of CIS and securitisations (such as MBS ABS, CLO).

These investments may be used for investment purposes in pursuit of the Fund’s (non ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.



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

No.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.



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

Not applicable.



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

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

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: [www.blackrock.com](http://www.blackrock.com)

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

**Product name: QMM Actively Managed Global Investment Grade Corporate Bond Fund  
Legal entity identifier: 529900IOFVFEV9X9BC25**

**Environmental and/or social characteristics**

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

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

<b>Does this financial product have a sustainable investment objective?</b>	
<p><b>• • <input type="checkbox"/> Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><b>• <input type="radio"/> <input checked="" type="checkbox"/> No</b></p> <p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



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

The Fund aims to promote environmental characteristics related to reducing non-renewable natural resource utilisation and pollution by excluding direct investments in companies involved in, for example, coal extraction, coal power generation, oil and gas production and involved in severe controversies relating to, for example, biodiversity and land use, and water stress.

The Fund also aims to promote social characteristics related to (a) reduction of the availability of weapons by excluding direct investment in companies involved in the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons),

(b) better health and well-being by excluding direct investment in companies involved in, for example, tobacco production and supply of tobacco related products, alcohol production and supply of alcohol-related products, the operation of gambling related activities and the production and distribution of adult entertainment, and (c) support for human rights, labour standards, the environment and anti-corruption by excluding direct investment in issuers deemed to have failed to comply with the 10 UN Global Compact Principles.

The definition of “involved” in relation to each activity may be based on generating or deriving a revenue from the activity that exceeds a percentage of revenue or a defined total revenue threshold, or any exposure to the activity regardless of the amount of revenue received. Further detail is included in the response to the question “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?” below.

The Fund invests at least 20% of its holdings in “Sustainable Investments”, as determined by the Investment Manager, which contribute to the objectives outlined below and which are aligned with the environmental and/or social characteristics being promoted by the Fund.

The Fund does not use a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

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

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

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by this Fund include:

1. The Fund’s holdings in Sustainable Investments, as described below.
2. The Fund’s consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.
3. The Fund’s exclusion of holdings in issuers identified by the exclusion criteria set out in the exclusionary screens, as described below.

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

The Fund invests at least 20% of its holdings in Sustainable Investments in pursuit of its investment objective. All Sustainable Investments will be assessed by the Investment Manager to comply with BlackRock’s do no significant harm (DNSH) standard outlined above.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”).

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or
- b) the issuer’s business practices contribute to an Environmental and/or Social Objective.
- c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or
- d) the fixed income securities are aligned with an Environmental and/or Social Objective.

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

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an investment does significant harm which consider both third-party data points as well as fundamental insights. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments. BlackRock assesses the indicators for adverse impacts on sustainability factors for each type of investment as defined by the regulation.

Criteria for adverse impacts are assessed using third-party vendor data regarding an investment’s business involvement (in specific activities identified as having negative environmental or social impacts) or environmental or social controversies to exclude investments which BlackRock has determined are harmful to sustainability indicators subject to limited exceptions, for example, where the data is determined to be inaccurate or

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

not up to date. Where no data is available, or it is substantially incomplete, fundamental analysis will be undertaken using reasonable efforts to identify impacts which BlackRock determines to be harmful to the sustainability indicators.

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

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

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

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

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

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

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



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

- Yes  
 No

The Fund considers PAIs on sustainability factors through the application of its exclusionary policy.

The Fund takes into account the following PAIs:

- GHG emissions
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)
- Investee countries subject to social violations

In addition, this Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.



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

### What investment strategy does this financial product follow?

The Fund seeks to outperform the Bloomberg MSCI Global Green Corp and Global Corp SRI Screened Composite Index (Euro Hedged) over a rolling 3-year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations. In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in fixed income securities (e.g. bonds, notes and debentures), including fixed income securities which are not registered with the Securities Exchange Commission (namely Reg S securities and 144A securities), and instruments relating to fixed income securities and/or instruments (namely options, futures, forwards, currency swaps, interest rate swaps and credit default swaps (including credit default swap indices)) issued in global developed markets and emerging markets by corporate issuers or government-related issuers (including governments, foreign agencies, supranational bodies and local authorities). Such fixed income securities and fixed income related securities will be investment grade (or, where unrated, deemed by the Investment Manager to be of an equivalent rating). The Fund also seeks to allocate to Sustainable Investments, including but not limited to "green bonds", "sustainable bonds" and "social bonds" (each as defined by its corresponding proprietary methodology which is guided by the International Capital Markets Association Green Bond, Sustainable Bond and Social Bond Principles, respectively).

The Fund will also seek to invest in Sustainable Investments and the fixed income securities and instruments relating to fixed income securities in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A of the Supplement.

The Fund does not have any industry focus. The Fund will not invest in bank loans. The Fund may invest up to 25% of its Net Asset Value in emerging markets. Please refer to the risk factors in section 6 of the Prospectus ("Risk Factors") entitled "Emerging markets", "Brazil", "India", "Licensing in India" and "Risks of investing in the China Interbank Bond Market" for further information about particular countries in which the Fund may invest.

In addition, the Fund may, subject to the restrictions set out in Appendix D of the Prospectus, invest in other fixed income and fixed income related securities, which may include fixed income securities and instruments related to fixed income securities that are below investment grade or unrated and, for liquidity and other ancillary purposes, money market instruments (including certificates of deposit, commercial paper and bankers acceptances), cash and/or cash equivalents (such as term deposits and bank certificates). The Fund may also invest up to 10% of its Net Asset Value in asset backed securities, commercial and residential mortgage backed securities, collateralised mortgage obligations, collateralised debt obligations and credit linked notes. The fixed income securities and fixed income related securities in which the Fund invests will be traded OTC or listed or traded in the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of the Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative and/or qualitative investment process which is anchored in fundamental and/or systematic analysis in order to identify fixed income securities or fixed income related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of the Prospectus.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.



The Fund may have exposure to fixed income securities traded on markets in India, Brazil and the PRC. The exposure to each of these markets will vary depending on the composition from time to time of the universe of fixed income securities used by the Fund, but the Fund will not invest more than 5% of its Net Asset Value in any one of India or Brazil or more than 10% of its Net Asset Value in the PRC. The Fund may invest in FDI (futures, forwards, currency swaps, interest rate swaps, credit default swaps (including credit default swap indices), and any other instruments outlined in Appendix C of the Prospectus) for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). In particular, the Fund will seek to hedge any non-EUR denominated investments of the Fund into EUR.

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

The binding elements of the investment strategy are as follows:

1. Maintain at least 20% of the Fund's portfolio in Sustainable Investments.

2. Apply the following exclusionary screens based on the environmental, social and governance (ESG) related characteristics set out below. The Investment Manager intends to limit and/or exclude direct investment (as applicable) in issuers which are identified as being involved in certain activities as described in summary below (involvement may be based on either the issuer's activity exceeding a threshold criteria or the issuer having any direct engagement in the activity), namely issuers which:

- are engaged in, or are otherwise exposed to, the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons).
- are engaged in the production of tobacco.
- derive more than:
  - 5% of revenue from distribution or supply of retail small arms.
  - 5% of revenue from thermal coal extraction or power generation.
  - 5% of revenue from oil tar sands production (also known as oil sands).
  - 5% of revenue from oil and gas production, or 25% of revenue from the provision of certain auxiliary services related to oil and gas.
  - 5% of revenue from involvement in the production of nuclear power or 15% of revenue from the distribution or provision of auxiliary services related to nuclear power.
  - 5% of revenue from tobacco distribution, retail, and supply of certain tobacco-related products.
  - 5% of revenue from the production of alcohol or 15% of revenue from the retail, and supply of certain alcohol-related products.
  - 5% of revenue from the development or 15% of revenue from the growth of genetically modifying plants and other organisms intended for agricultural use or human consumption.
  - 5% of revenue from the operation of gambling related activities or 15% of revenue from products, services, equipment or facilities related to gambling.
  - 5% of revenue from the production or 15% of revenue from the distribution of adult entertainment materials.
  - 5% of revenue from military contracting.
- have been indicated as involved in one or more very severe controversies by MSCI ESG Controversies relating to: (i) biodiversity and land use; (ii) water stress; (iii) operational waste (non-hazardous); and (iv) toxic emissions and waste.

3. In addition to the above, the Investment Manager intends to limit and/or exclude direct investment (as applicable) in sovereign issuers and related local authority issuers, which are identified, using available data from an ESG research provider, as being deemed to:

1. be involved in social violations and as such may be subject to broad arms embargoes imposed through UN sanctions;
2. be lower ranking issuers in the BlackRock Sovereign Sustainable Index;
3. be lower ranking issuers as assessed by the JPMorgan ESG Methodology; and
4. be higher ranking issuers in the Global Peace Index.

To undertake the analysis to apply the exclusionary criteria and select Sustainable Investments, the Investment Manager will use data (a) provided by one or more external ESG research providers, and/or (b) generated internally by the Investment Manager and/or its affiliates using data provided by one or more external ESG research providers.

Where the Investment Manager appoints one or more external Sub-Investment Managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external Sub-Investment Managers may use data as described in the paragraph above, at a point in a month, and updated on a monthly basis, to apply the exclusionary criteria and select Sustainable Investments. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update that shows that the issuers should be excluded, at which point the holding may be divested as soon as reasonably practicable.

Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure to a single line security through derivatives or through American Depositary Receipts (“ADRs”) or Global Depositary Receipts (“GDRs”), the Exclusionary Policy will apply to the underlying single line security rather than the derivative instrument, ADR or GDR itself. Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure through derivatives to an underlying which is not a single line security (such as an index derivative) or through CIS, the Exclusionary Policy may not be applied to such investments at all or may only partially apply.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, there is no commitment to reduce the scope of investments by a minimum rate.

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

Good governance checks are carried out by the Investment Manager on the issuers to exclude issuers which have been identified, using available data from external ESG research providers, to have (i) failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption), or (ii) been involved in one or more very severe ESG controversies relating to (a) sound management structure (b) remuneration of staff (c) employee relations and (d) tax compliance.

Where the Investment Manager appoints one or more external sub-investment managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external sub-investment managers may use data (a) from one or more external ESG research providers, and/or (b) generated by the Investment Manager using external ESG research provider data, at a point in a month, and updated on a monthly basis, to apply the Good Governance exclusionary criteria. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update shows that the issuers should be excluded at which point the holding may be divested as soon as reasonably practicable.

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



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

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

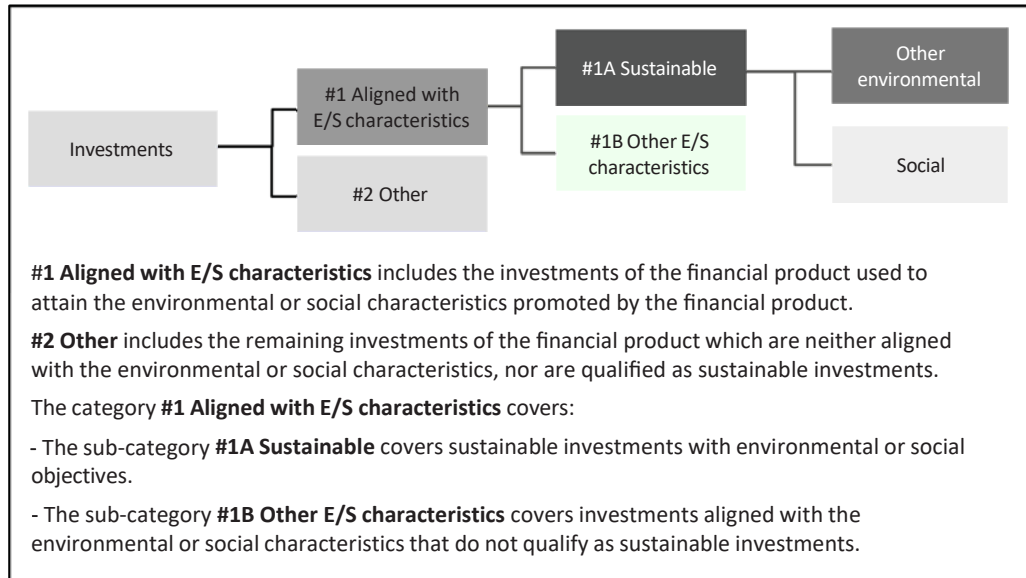
Taxonomy-aligned activities are expressed as a share of:

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

A minimum of 85% of the Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics). Of these investments, a minimum of 20% of the Fund's total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested

in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics).

The Fund may invest up to 15% of its total assets in other investments (#2 Other investments).



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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

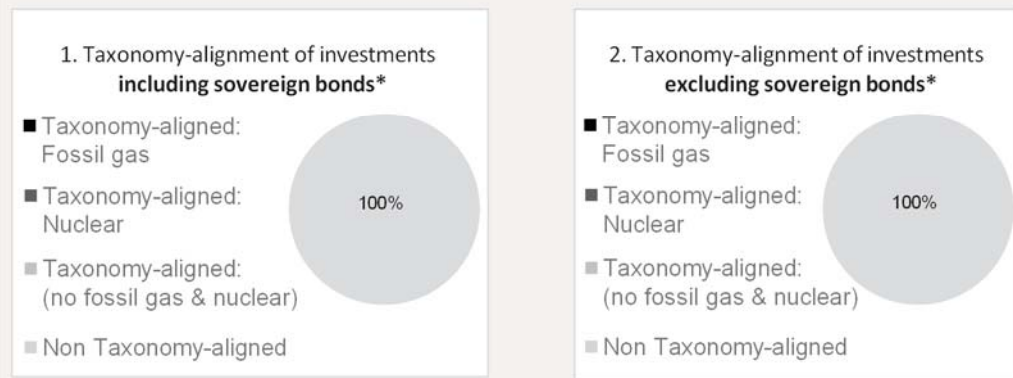
The Fund does not currently commit to investing more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy.

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

- Yes  
 No
  In fossil gas     In nuclear energy

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

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



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

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

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

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.

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



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; and / or (ii) underlying economic activities may not be eligible under the EU Taxonomy’s available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



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

Other holdings are limited to 15% and may include certain derivatives instruments, cash and near cash instruments, shares or units of CIS and securitisations (such as MBS ABS, CLO).

These investments may be used for investment purposes in pursuit of the Fund’s (non ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.



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

No.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.



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

Not applicable.



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

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

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: [www.blackrock.com](http://www.blackrock.com)

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

**Product name: QMM Actively Managed US Equity Fund  
Legal entity identifier: 5299003M256E88MIP417**

**Environmental and/or social characteristics**

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

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

Does this financial product have a sustainable investment objective?	
<p><input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



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

The Fund aims to promote environmental characteristics related to reducing non-renewable natural resource utilisation and pollution by excluding direct investments in companies involved in, for example, coal extraction, coal power generation, oil and gas production and involved in severe controversies relating to, for example, biodiversity and land use, and water stress.

The Fund also aims to promote social characteristics related to (a) reduction of the availability of weapons by excluding direct investment in companies involved in the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons),

(b) better health and well-being by excluding direct investment in companies involved in, for example, tobacco production and supply of tobacco related products, alcohol production and supply of alcohol-related products, the operation of gambling related activities and the production and distribution of adult entertainment, and (c) support for human rights, labour standards, the environment and anti-corruption by excluding direct investment in issuers deemed to have failed to comply with the 10 UN Global Compact Principles.

The definition of “involved” in relation to each activity may be based on generating or deriving a revenue from the activity that exceeds a percentage of revenue or a defined total revenue threshold, or any exposure to the activity regardless of the amount of revenue received. Further detail is included in the response to the question “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?” below.

The Fund invests at least 20% of its holdings in “Sustainable Investments”, as determined by the Investment Manager, which contribute to the objectives outlined below and which are aligned with the environmental and/or social characteristics being promoted by the Fund.

The Fund does not use a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

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

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

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by this Fund include:

1. The Fund’s holdings in Sustainable Investments, as described below.
2. The Fund’s consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.
3. The Fund’s exclusion of holdings in issuers identified by the exclusion criteria set out in the exclusionary screens, as described below.

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

The Fund invests at least 20% of its holdings in Sustainable Investments in pursuit of its investment objective. All Sustainable Investments will be assessed by the Investment Manager to comply with BlackRock’s do no significant harm (DNSH) standard outlined below.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”).

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or
- b) the issuer’s business practices contribute to an Environmental and/or Social Objective.

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

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an investment does significant harm which consider both third-party data points as well as fundamental insights. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments. BlackRock assesses the indicators for adverse impacts on sustainability factors for each type of investment as defined by the regulation.

Criteria for adverse impacts are assessed using third-party vendor data regarding an investment’s business involvement (in specific activities identified as having negative environmental or social impacts) or environmental or social controversies to exclude investments which BlackRock has determined are harmful to sustainability indicators subject to limited exceptions, for example, where the data is determined to be inaccurate or not up to date. Where no data is available, or it is substantially incomplete, fundamental analysis will be undertaken using reasonable efforts to identify impacts which BlackRock determines to be harmful to the sustainability indicators.

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

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

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

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

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

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

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

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



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

- Yes
- No

The Fund considers PAIs on sustainability factors through the application of its exclusionary policy.

The Fund takes into account the following PAIs:

- Exposure to companies active in the fossil fuel sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, this Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.



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

## What investment strategy does this financial product follow?

The Fund seeks to outperform the MSCI USA ESG Ex Select Business Involvement Screens Index over a rolling 3-year period while seeking to maximise the opportunities and minimise the potential risks associated with certain ESG themes and considerations. In order to achieve this investment objective, subject to the investment restrictions in Appendix D of the Prospectus, the investment policy of the Fund is to invest at least 80% of its Net Asset Value in the equity securities or equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies incorporated in, listed in, or the main business of which is in, the US. Depository receipts are investments issued by financial institutions which give exposure to underlying equity securities. The Fund does not have any industry focus.

The Fund will also seek to invest in Sustainable Investments and the equity securities or equity related securities and/or instruments in which the Fund invests, are subject to the Exclusionary Policy set out in Appendix A of the Supplement.

In addition, subject to the restrictions set out in Appendix D of the Prospectus, the Fund may invest in other equities and equity-related securities, which may include equity securities and equity related securities and/or instruments (namely, futures, forwards and depository receipts) of companies that are not incorporated in, listed in, or have their main business in, the US. The Fund may also invest in equity and equity related securities of real estate companies and in Real Estate Investment Trusts ("REITs"), and, for liquidity and other ancillary purposes, money market instruments (including certificates of deposits and bank certificates) cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities and equity related securities in which the Fund invests will be traded OTC or listed or traded in the Regulated Markets set out in Appendix F of the Prospectus, and are subject to the Fund's Exclusionary Policy set out in Appendix A of the Supplement.

The Investment Manager constructs the portfolio of the Fund by allocating the Fund's assets to one or more Sub-Investment Managers. The Investment Manager and/or such Sub-Investment Managers will refer to the securities of the Benchmark Index and the Investment Manager and/or such Sub-Investment Managers may use a quantitative (i.e. mathematical or statistical) and/or qualitative bottom-up (i.e. fundamental analysis/ research on an underlying company) investment process in order to identify equity securities or equity related securities for investment, taking into account the Exclusionary Policy as set out in Appendix A of the Supplement.

In order to assist in achieving its investment objective, the Fund may also, subject to the restrictions set out in Appendix D of the Prospectus, invest up to 10% of its Net Asset Value in other CIS. These CIS may be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus.

The Fund may invest in FDI (futures and forwards and any other instruments outlined in Appendix C of the Prospectus) for efficient portfolio management purposes (please refer to Appendix C of the Prospectus for further information). The Fund may invest in index futures and options where the underlying index is a broad-based equity index for efficient portfolio management purposes. Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix C of the Prospectus subject to the conditions and within the limits laid down by the Central Bank. The FDI may be dealt OTC or be listed or traded on the Regulated Markets set out in Appendix F of the Prospectus. The counterparties to any swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund.

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

The binding elements of the investment strategy are as follows:

1. Maintain at least 20% of the Fund's portfolio in Sustainable Investments.
2. Apply the following exclusionary screens based on the environmental, social and governance (ESG) related characteristics set out below. The Investment Manager intends to limit and/or exclude direct investment (as applicable) in issuers which are identified as

being involved in certain activities as described in summary below (involvement may be based on either the issuer's activity exceeding a threshold criteria or the issuer having any direct engagement in the activity), namely issuers which:

- are engaged in, or are otherwise exposed to, the production of weapons (including, but not limited to, civilian firearms, civilian small arms, cluster munitions, anti-personnel mines, white phosphorus used in incendiary weapons or munitions, depleted uranium munitions, biological, chemical and nuclear weapons).
- are engaged in the production of tobacco.
- derive more than:
  - 5% of revenue from distribution or supply of retail small arms.
  - 5% of revenue from thermal coal extraction or power generation.
  - 5% of revenue from oil tar sands production (also known as oil sands).
  - 5% of revenue from oil and gas production, or 25% of revenue from the provision of certain auxiliary services related to oil and gas.
  - 5% of revenue from involvement in the production of nuclear power or 15% of revenue from the distribution or provision of auxiliary services related to nuclear power.
  - 5% of revenue from tobacco distribution, retail, and supply of certain tobacco-related products.
  - 5% of revenue from the production of alcohol or 15% of revenue from the retail, and supply of certain alcohol-related products.
  - 5% of revenue from the development or 15% of revenue from the growth of genetically modifying plants and other organisms intended for agricultural use or human consumption.
  - 5% of revenue from the operation of gambling related activities or 15% of revenue from products, services, equipment or facilities related to gambling.
  - 5% of revenue from the production or 15% of revenue from the distribution of adult entertainment materials.
  - 5% of revenue from military contracting.
- have been indicated as involved in one or more very severe controversies by MSCI ESG Controversies relating to: (i) biodiversity and land use; (ii) water stress; (iii) operational waste (non-hazardous); and (iv) toxic emissions and waste.

To undertake the analysis to apply the exclusionary criteria and select Sustainable Investments, the Investment Manager will use data (a) provided by one or more external ESG research providers, and/or (b) generated internally by the Investment Manager and/or its affiliates using data provided by one or more external ESG research providers.

Where the Investment Manager appoints one or more external Sub-Investment Managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external Sub-Investment Managers may use data as described in the paragraph above, at a point in a month, and updated on a monthly basis, to apply the exclusionary criteria and select Sustainable Investments. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update that shows that the issuers should be excluded, at which point the holding may be divested as soon as reasonably practicable.

Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure to a single line security through derivatives or through American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"), the Exclusionary Policy will apply to the underlying single line security rather than the derivative instrument, ADR or GDR itself. Where the Investment Manager or a Sub-Investment Manager seeks indirect exposure through derivatives to an underlying which is not a single line security (such as an index derivative) or through CIS, the Exclusionary Policy may not be applied to such investments at all or may only partially apply.

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

Whilst the Fund applies exclusionary screens to avoid investment in the activities listed above, there is no commitment to reduce the scope of investments by a minimum rate.



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

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

Good governance checks are carried out by the Investment Manager on the issuers to exclude issuers which have been identified, using available data from external ESG research providers, to have (i) failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption), or (ii) been involved in one or more very severe ESG controversies relating to (a) sound management structure (b) remuneration of staff (c) employee relations and (d) tax compliance.

Where the Investment Manager appoints one or more external sub-investment managers (i.e. that are not Affiliates of the Investment Manager) to carry out investment management for a Fund, certain external sub-investment managers may use data (a) from one or more external ESG research providers, and/or (b) generated by the Investment Manager using external ESG research provider data, at a point in a month, and updated on a monthly basis, to apply the Good Governance exclusionary criteria. This means that securities of issuers not excluded as at the last ESG data update can be acquired and held in the Fund until implementation of the next data update shows that the issuers should be excluded at which point the holding may be divested as soon as reasonably practicable.



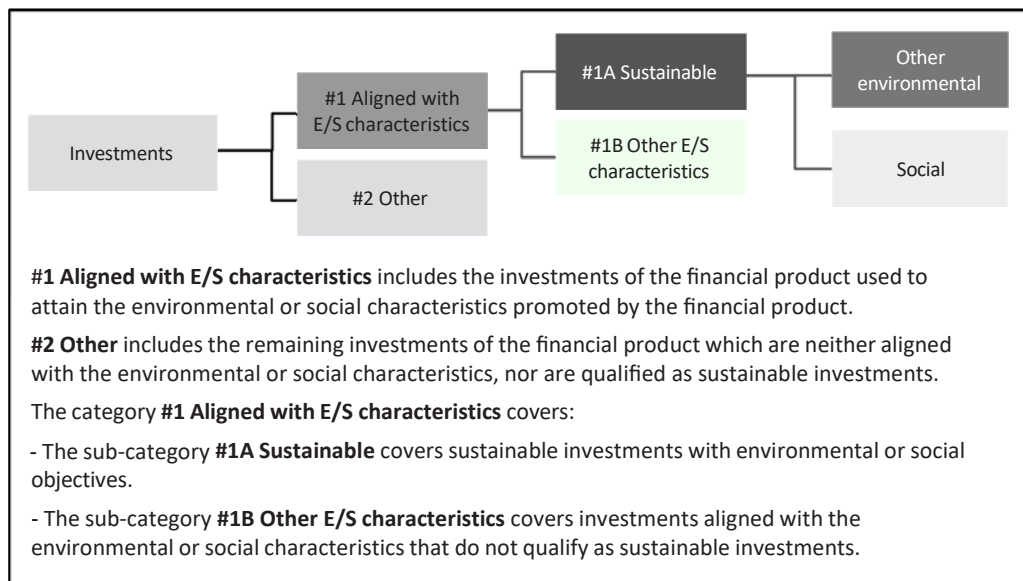
**What is the asset allocation planned for this financial product?**

A minimum of 85% of the Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics). Of these investments, a minimum of 20% of the Fund's total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics). The Fund may invest up to 15% of its total assets in other investments (#2 Other investments).

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

Taxonomy-aligned activities are expressed as a share of:

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



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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

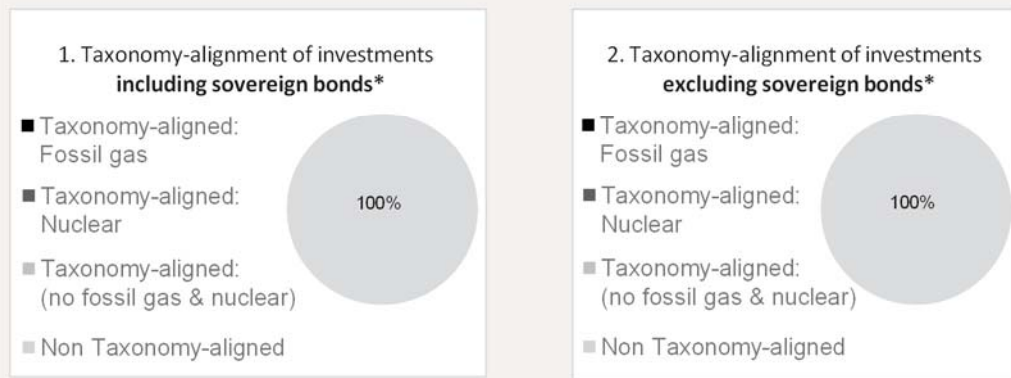
The Fund does not currently commit to investing more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy.

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

- Yes  
 No
  In fossil gas     In nuclear energy

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

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



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

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

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

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.

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



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; and / or (ii) underlying economic activities may not be eligible under the EU Taxonomy’s available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



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

A minimum of 20% of the Fund’s total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



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

Other holdings are limited to 15% and may include certain derivatives instruments, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide.

These investments may be used for investment purposes in pursuit of the Fund’s (non ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.



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

No.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.



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

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

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: [www.blackrock.com](http://www.blackrock.com)