**This document is a Supplement to the Prospectus dated 16 January 2026 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:**

**Coutts UK Equity Index Fund**

**Coutts US Equity Index Fund**

**Coutts Europe ex UK Equity Index Fund**

**Coutts North America Equity Index Fund**

**Coutts Emerging Markets Equity Index Fund**

**Coutts Global Credit Bond Index Fund**

**Coutts Actively Managed US Equity Fund**

**Coutts Actively Managed Global Investment Grade Credit Fund**

**Coutts US and Canada Enhanced Index Government Bond Fund**

**Coutts Europe Enhanced Index Government Bond Fund**

**Coutts Japan Enhanced Index Government Bond Fund**

**(collectively, the "Funds")**

**7 July 2026**



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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, as listed in the Fund Schedule Supplement, 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 Objective and Policies". The Funds are categorised as "Index Tracking Funds" and "Actively Managed Funds", including a sub-category of such Actively Managed Funds described as "Enhanced Index Funds" as detailed below.

**INDEX TRACKING FUNDS**

Coutts UK Equity Index Fund

Coutts US Equity Index Fund

Coutts Europe ex UK Equity Index Fund

Coutts North America Equity Index Fund

Coutts Emerging Markets Equity Index Fund

Coutts Global Credit Bond Index Fund

**ACTIVELY MANAGED FUNDS**

Coutts Actively Managed US Equity Fund

Coutts Actively Managed Global Investment Grade Credit Fund

***Enhanced Index Funds***

Coutts US and Canada Enhanced Index Government Bond Fund

Coutts Europe Enhanced Index Government Bond Fund

Coutts Japan Enhanced Index Government Bond Fund

The Index Tracking Funds are passively managed and aim to track the return of a benchmark index, using either a replicating strategy or a non-replicating strategy to do so (as further described in the Prospectus). The Actively Managed Funds 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.

### Strategy – Actively Managed non-EI Funds

Actively Managed non-EI Funds do not aim to track the return of a Benchmark Index and the Investment Manager (and/or any sub-investment manager appointed by it) has discretion to construct the Fund's portfolio (or, in the case of a sub-investment manager, such part of the Fund's portfolio in respect of which it has been appointed to provide discretionary investment services). For some Actively Managed non-EI Funds

however, regard may be had to a Benchmark Index when constructing the Fund's portfolio, for performance comparison, risk management and/or for other purposes as more fully described in the relevant Supplement.

**Strategy – Enhanced Index Funds**

The Enhanced Index Funds aim to outperform the return of their respective Benchmark Indices. The strategy of the Enhanced Index Funds differs from Index Tracking Funds in that the Enhanced Index Funds invest in a similar universe of investments as their respective Benchmark Indices but aim to take overweight and/or underweight positions relative to their respective Benchmark Indices in order to generate some outperformance (gross of fees) relative to the Benchmark Indices.

*Anticipated Tracking Error of the Index Tracking Funds*

Tracking error is the annualised standard deviation of the difference in monthly returns between an Index Tracking Fund and its Benchmark Index. Tracking error shows the consistency of the returns relative to the Benchmark Index over a defined period of time.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant Index Tracking Fund and the returns of its Benchmark Index. One of the primary drivers of tracking error is the difference between Index Tracking Fund holdings and Benchmark Index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the Index Tracking Fund and the Benchmark Index. The impact can be either positive or negative depending on the underlying circumstances. .

A Fund's tracking error may be affected if the times at which a Fund and its Benchmark Index are priced are different. Where the Benchmark Index is valued at the time the relevant markets close for business and a Fund is valued at an earlier time, the tracking error of that Fund may appear to be higher than if the Fund and the Benchmark Index were priced at the same time.

In addition, an Index Tracking Fund may also have a tracking error due to tax suffered by the Index Tracking Fund on any income received from its investments. The level and quantum of tracking error arising due to taxes depends on various factors such as any reclaims filed by the Index Tracking Fund with various tax authorities, any benefits obtained by the Index Tracking Fund under a tax treaty or any securities lending activities carried out by the Index Tracking Fund.

The anticipated tracking error of each Index Tracking Fund is not a guide to future performance.

At the date of this Supplement the anticipated tracking error of each Index Tracking Fund in respect of its respective Benchmark Index (as set out in respect of each Fund in the section entitled "Investment Objectives and Policies") in normal market conditions is as follows:

| **Fund** | **Anticipated Tracking Error** |
|---|---|
| Coutts UK Equity Index Fund | Up to 0.50% |
| Coutts US Equity Index Fund | Up to 0.50% |
| Coutts Europe ex UK Equity Index Fund | Up to 0.50% |
| Coutts North America Equity Index Fund | Up to 0.50% |
| Coutts Emerging Markets Equity Index Fund | Up to 1.00% |
| Coutts Global Credit Bond Index Fund | Up to 0.30% |

**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.

**ESG Integration**

*ESG Integration in Enhanced Index Funds*

The Enhanced Index Funds invest in a similar universe of investments as their respective Benchmark Indices but aim to take overweight and/or underweight positions relative to their respective Benchmark Indices to generate some outperformance (gross of fees). BlackRock's index platform offers funds with sustainability objectives, which have either the objective to avoid certain issuers or gain exposure to issuers with better ESG ratings, an ESG theme, or to generate positive environmental or social impact. While, as at the date of the Prospectus, the Enhanced Index Funds do not have explicit sustainability objectives, BlackRock considers the suitability characteristics and risk assessments of the index provider and BlackRock may adapt its investment approach appropriately in line with the relevant fund's investment objective and policy. ESG integration for the Enhanced Index Funds includes:

- Engagement with index providers on matters of index design and broader industry participation on ESG considerations; and

- Transparency and reporting, including methodology criteria and reporting on sustainability-related information.

BlackRock's approach to ESG integration is to broaden the total amount of information the Investment Manager considers with the aim of improving investment analysis and understanding the likely impact of sustainability risks on the Enhanced Index Funds' investments. The Investment Manager assesses a variety of economic and financial indicators, which may include ESG data and insights, to make investment decisions appropriate for the Enhanced Index Funds' objectives. This can include relevant third-party insights or data, internal research or engagement commentary.

Sustainability risks are identified at various steps of the investment process, where relevant, from research, allocation, selection, portfolio construction decisions, or management engagement, and are considered relative to funds' risk and return objectives. Assessment of these risks is done relative to their materiality (i.e. likeliness of impacting returns of the investment) and in tandem with other risk assessments (e.g. liquidity, valuation, etc.).

Where any sub-investment manager is appointed by the Investment Manager to perform all or part of the day to day conduct of the Investment Manager's investment management responsibilities in respect of any Enhanced Index Fund, the Investment Manager undertakes due diligence to assess any such sub-investment manager's ESG framework and consideration of sustainability factors and whether it is appropriately integrated within the sub-investment manager's investment process. The due diligence criteria include, among other considerations, an assessment of a sub-investment manager's ESG resourcing (personnel, data, tools) and the integration of ESG factors into investment decisions (i.e. initial research, buy / sell decisions, portfolio construction, risk monitoring and analysis).

*Consideration of Principal Adverse Impacts on sustainability factors ("PAIs")*

*All Actively Managed non-EI Funds:*

The Investment Manager has access to a range of data sources, including PAI data, when making decisions on selection of investments. However, whilst BlackRock considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, the Funds do not commit to considering PAIs in driving the selection of their investments.

**Coutts Actively Managed UK Equity Fund**

Coutts Actively Managed UK Equity Fund is closed for subscriptions and all references to the Fund have been removed from this Supplement. An application will be submitted to the Central Bank seeking the revocation of the Fund's authorisation.

**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:

**Actively Managed non-EI Fund**
means an Actively Managed Fund which is not an Enhanced Index Fund/a fund which does not pursue an enhanced index strategy.

**Benchmark Index**
means, in relation to:

- an Index Tracking Fund, the Benchmark Index which is tracked by the Index Tracking Fund;
- an Actively Managed non-EI Fund, the Benchmark Index that the Investment Manager may refer to when constructing the Actively Managed non-EI Fund's portfolio, for performance comparison, risk management and/or other purposes; and
- an Enhanced Index Fund, the Benchmark Index relative to which the Enhanced Index Fund aims to generate some outperformance (gross of fees).

**Business Day**
means:

(a) in respect of Coutts UK Equity Index Fund, a business day in England and a day on which the markets in the UK on which the investments of the Fund are traded are open for business for a full day, excluding 24 December and 31 December, and if either 24 December or 31 December falls on a Saturday or Sunday, the business day (in England) immediately preceding 24 December or 31 December;

(b) in respect of Coutts US Equity Index Fund, Coutts North America Equity Index Fund, Coutts Global Credit Bond Index Fund, Coutts Actively Managed US Equity Fund and Coutts Actively Managed Global Investment Grade Credit 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;

(c) in respect of Coutts Emerging Markets Equity Index Fund, a business day in England;

(d) in respect of Coutts Europe ex UK Equity Index 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 are open for business;

(e) in respect of Coutts US and Canada Government Bond Enhanced Index 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;

(f) in respect of Coutts Europe Government Bond Enhanced Index Fund, a business day in England and a day on which the markets in France, Germany, Italy and the United Kingdom on which the investments of the Fund are traded are open for business;

(g) in respect of Coutts Japan Government Bond Enhanced Index Fund, a business day in England and a day on which the markets in Japan on which the investments of the Fund are traded are open for business; and

(h) in respect of any Fund, such other day or days as the Manager may from time to time determine.

**Coutts**
means Coutts & Company.

**CIS**
means a collective investment scheme or schemes.

**Cut-Off Point**
means:

(a) in respect of Coutts Japan Enhanced Index Government Bond Fund and Coutts Emerging Markets Equity Index Fund, 4.30 pm UK time on the Business Day prior to each Dealing Day; and

(b) in respect of all other Funds, 11.00 am UK time on each Dealing Day,

or (in respect of any Fund) 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 the Prospectus 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.

**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

### Coutts UK Equity Index Fund

### Investment Objective

The investment objective of the Coutts UK Equity Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which reflects the total return of the Benchmark Index as defined below.

### Investment Policy

In order to achieve this investment objective and, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to follow a replicating strategy and to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI United Kingdom Index (the "Benchmark Index"). The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate the Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in Part 4 of Appendix B of the Prospectus) for example, market dominance, where such issuer has a dominant position in the market and as such represents a large proportion of the Benchmark Index.**

Where an equity security which forms part of the Benchmark Index is not available or a market for such equity security does not exist or where acquiring or holding such security is not as cost or tax efficient as acquiring a depository receipt or a depositary note, the Fund may instead invest in depository receipts or depository notes respectively to gain exposure to the relevant securities. Depository receipts and depository notes are investments issued by financial institutions which give exposure to underlying equity securities.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities in which the Fund invests will normally be listed and traded on Regulated Markets in the UK, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

The Fund may invest in FDI (namely futures, forwards, total return swaps and any other instruments outlined in Appendix A of the Prospectus) for efficient portfolio management purposes (please refer to Appendix A 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 A 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 D 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 also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage intermittently if FDI are used. However, 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.

The Fund may not at any time invest in CIS.

### The Benchmark Index

The Benchmark Index measures the performance of large and mid capitalisation stocks of the UK 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

(including its constituents) are available on the index provider's website at https://www.msci.com/constituents.

**Base Currency**

The base currency of the Fund is GBP.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Fund tracks the Benchmark Index and is managed with a focus on minimising its performance tracking error versus the Benchmark Index. The Investment Manager has considered the sustainability risk of the Fund when carrying out due diligence on the Benchmark Index as part of the index selection for the Fund. As the Fund is managed to track its Benchmark Index, the sustainability risk of the Fund will not influence individual security selection unless specifically incorporated into the methodology of the Benchmark Index by the index provider. As the Fund is passively managed, management of the portfolio does not include any separate integration of sustainability risks into the investment process. However, given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund's returns is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts US Equity Index Fund**

**Investment Objective**

The investment objective of the Coutts US Equity Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which reflects the total return of the Benchmark Index as defined below.

**Investment Policy**

In order to achieve this investment objective and, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to follow a replicating strategy and to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI USA Index (the "Benchmark Index"). The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate the Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in Part 4 of Appendix B of the Prospectus) for example, market dominance, where such issuer has a dominant position in the market and as such represents a large proportion of the Benchmark Index.**

Where an equity security which forms part of the Benchmark Index is not available or a market for such equity security does not exist or where acquiring or holding such security is not as cost or tax efficient as acquiring a depository receipt or a depositary note, the Fund may instead invest in depository receipts or depository notes respectively to gain exposure to the relevant securities. Depository receipts and depository notes are investments issued by financial institutions which give exposure to underlying equity securities.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities in which the Fund invests will normally be listed and traded on Regulated Markets in the United States, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

The Fund may invest in FDI (namely futures, forwards, total return swaps and any other instruments outlined in Appendix A of the Prospectus) for efficient portfolio management purposes (please refer to Appendix A 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 A 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 D 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 also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage intermittently if FDI are used. However, 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.

The Fund may not at any time invest in CIS.

**The Benchmark Index**

The Benchmark 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

(including its constituents) are available on the index provider's website at https://www.msci.com/constituents.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Fund tracks the Benchmark Index and is managed with a focus on minimising its performance tracking error versus the Benchmark Index. The Investment Manager has considered the sustainability risk of the Fund when carrying out due diligence on the Benchmark Index as part of the index selection for the Fund. As the Fund is managed to track its Benchmark Index, the sustainability risk of the Fund will not influence individual security selection unless specifically incorporated into the methodology of the Benchmark Index by the index provider. As the Fund is passively managed, management of the portfolio does not include any separate integration of sustainability risks into the investment process. However, given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund's returns is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts Europe ex UK Equity Index Fund**

**Investment Objective**

The investment objective of the Coutts Europe ex UK Equity Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which reflects the total return of the Benchmark Index as defined below.

**Investment Policy**

In order to achieve this investment objective and, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to follow a replicating strategy and to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI Europe ex UK Index (the "Benchmark Index"). The Fund intends to replicate the constituents of the Benchmark Index by holding all securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate the Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in Part 4 of Appendix B of the Prospectus) for example, market dominance, where such issuer has a dominant position in the market and as such represents a large proportion of the Benchmark Index.**

Where an equity security which forms part of the Benchmark Index is not available or a market for such equity security does not exist or where acquiring or holding such security is not as cost or tax efficient as acquiring a depository receipt or a depositary note, the Fund may instead invest in depository receipts or depository notes respectively to gain exposure to the relevant securities. Depository receipts and depository notes are investments issued by financial institutions which give exposure to underlying equity securities.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities in which the Fund invests will normally be listed and traded on Regulated Markets in Europe, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

The Fund may invest in FDI (namely futures, forwards, total return swaps and any other instruments outlined in Appendix A of the Prospectus) for efficient portfolio management purposes (please refer to Appendix A 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 A 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 D 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 also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage intermittently if FDI are used. However, 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.

The Fund may not at any time invest in CIS.

**The Benchmark Index**

The Benchmark 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 (including its constituents) are available on the index provider's website at https://www.msci.com/constituents.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Fund tracks the Benchmark Index and is managed with a focus on minimising its performance tracking error versus the Benchmark Index. The Investment Manager has considered the sustainability risk of the Fund when carrying out due diligence on the Benchmark Index as part of the index selection for the Fund. As the Fund is managed to track its Benchmark Index, the sustainability risk of the Fund will not influence individual security selection unless specifically incorporated into the methodology of the Benchmark Index by the index provider. As the Fund is passively managed, management of the portfolio does not include any separate integration of sustainability risks into the investment process. However, given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund's returns is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts North America Equity Index Fund**

**Investment Objective**

The investment objective of the Coutts North America Equity Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which reflects the total return of the Benchmark Index as defined below.

**Investment Policy**

In order to achieve this investment objective and, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to follow a replicating strategy and to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI North America Index (the "Benchmark Index"). The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate the Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in Part 4 of Appendix B of the Prospectus) for example, market dominance, where such issuer has a dominant position in the market and as such represents a large proportion of the Benchmark Index.**

Where an equity security which forms part of the Benchmark Index is not available or a market for such equity security does not exist or where acquiring or holding such security is not as cost or tax efficient as acquiring a depository receipt or a depositary note, the Fund may instead invest in depository receipts or depository notes respectively to gain exposure to the relevant securities. Depository receipts and depository notes are investments issued by financial institutions which give exposure to underlying equity securities.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities in which the Fund invests will normally be listed and traded on Regulated Markets in North America, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

The Fund may invest in FDI (namely futures, forwards, total return swaps and any other instruments outlined in Appendix A of the Prospectus) for efficient portfolio management purposes (please refer to Appendix A 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 A 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 D 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 also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage intermittently if FDI are used. However, 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.

The Fund may not at any time invest in CIS.

**The Benchmark Index**

The Benchmark Index measures the performance of large and mid capitalisation stocks of the US and Canada equity markets 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

(including its constituents) are available on the index provider's website at https://www.msci.com/constituents.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Fund tracks the Benchmark Index and is managed with a focus on minimising its performance tracking error versus the Benchmark Index. The Investment Manager has considered the sustainability risk of the Fund when carrying out due diligence on the Benchmark Index as part of the index selection for the Fund. As the Fund is managed to track its Benchmark Index, the sustainability risk of the Fund will not influence individual security selection unless specifically incorporated into the methodology of the Benchmark Index by the index provider. As the Fund is passively managed, management of the portfolio does not include any separate integration of sustainability risks into the investment process. However, given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund's returns is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts Emerging Markets Equity Index Fund**

**Investment Objective**

The investment objective of the Coutts Emerging Markets Equity Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which reflects the total return of the Benchmark Index as defined below.

**Investment Policy**

In order to achieve this investment objective and, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to follow a replicating strategy and to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI Emerging Markets Index (the "Benchmark Index"). The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. **In order to replicate the Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in Part 4 of Appendix B of the Prospectus) for example, market dominance, where such issuer has a dominant position in the market and as such represents a large proportion of the Benchmark Index.**

Where an equity security which forms part of the Benchmark Index is not available or a market for such equity security does not exist or where acquiring or holding such security is not as cost or tax efficient as acquiring a depository receipt or a depositary note, the Fund may instead invest in depository receipts or depository notes respectively to gain exposure to the relevant securities. Depository receipts and depository notes are investments issued by financial institutions which give exposure to underlying equity securities.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The equity securities in which the Fund invests will normally be listed and traded on Regulated Markets across emerging market countries, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

The Fund may invest in FDI (namely futures, forwards, total return swaps and any other instruments outlined in Appendix A of the Prospectus) for efficient portfolio management purposes (please refer to Appendix A 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 A 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 D 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 also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

In implementing its investment policy, the Fund is generally not expected to be leveraged though it may generate leverage intermittently if FDI are used. However, 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.

The Fund may not at any time invest in CIS.

**The Benchmark Index**

The Benchmark Index measures the performance of large and mid capitalisation stocks of a number of companies across emerging market countries 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 (including its constituents) are available on the index provider's website at https://www.msci.com/constituents.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Fund tracks the Benchmark Index and is managed with a focus on minimising its performance tracking error versus the Benchmark Index. The Investment Manager has considered the sustainability risk of the Fund when carrying out due diligence on the Benchmark Index as part of the index selection for the Fund. As the Fund is managed to track its Benchmark Index, the sustainability risk of the Fund will not influence individual security selection unless specifically incorporated into the methodology of the Benchmark Index by the index provider. As the Fund is passively managed, management of the portfolio does not include any separate integration of sustainability risks into the investment process. However, given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund's returns is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts Global Credit Bond Index Fund**

**Investment Objective**

The investment objective of the Coutts Global Credit Bond Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return in the form of capital growth and income, which reflects the total return of the Benchmark Index as defined below.

**Investment Policy**

In order to achieve this investment objective, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to invest in a portfolio of fixed income securities (e.g. bonds) or fixed income related securities that as far as possible and practicable consists of the component securities of the Bloomberg Global Aggregate Credit 100% GBP Hedged Index (the "Benchmark Index"), including fixed income securities which are not registered with the Securities Exchange Commission (namely Reg S securities and 144A securities). The Fund intends to use optimisation techniques, including stratified sampling, in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The fixed income securities will, at the time of purchase, comply with the requirements of the Benchmark Index and be of investment grade. If the credit ratings of such fixed income securities are downgraded, the Fund may continue to hold the affected fixed income securities for a period of time, up to 90 days from the date of downgrade in order to avoid a distressed sale of the downgraded security.

In addition, the Fund may, subject to the restrictions set out in Appendix B of the Prospectus, hold or invest in off-Benchmark or non-Benchmark fixed income and fixed income related securities ("Off-Benchmark Securities") which may include the following:

-securities that left the Benchmark Index due to maturity or credit ratings:
- securities that are below investment grade or unrated; or
-securities that provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index.

Aggregate investment in Off-Benchmark Securities, excluding new issues which are expected to enter the Benchmark Index at the next index rebalance date, will not exceed 10% of the Fund's Net Asset Value. This limit also includes cash and/or cash equivalents as detailed below. In cases where the Investment Manager invests in Off-Benchmark Securities, other than those securities which have left the Benchmark Index, these will be selected by the Investment Manager based on its determination, in light of current market conditions and taking due account of its assessment of liquidity, of the most cost-effective manner of generating a return that tracks the return of the Benchmark Index.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

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 D of the Prospectus.

The Fund may not at any time invest in CIS.

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 A of the Prospectus) for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix A of the Prospectus for further information). In particular, the Fund will seek to hedge any non-GBP denominated investments of the Fund into GBP.

Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix A 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 D 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 also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

The Fund may generate leverage where FDIs are used. In implementing its investment policy, the Fund is generally expected to be leveraged at around 100% 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 section 6 ("Risk Factors") of the Prospectus for further details.**

**Use of Benchmark**

The Benchmark Index measures the performance of the global investment grade local currency corporate and government-related (foreign agencies, sovereign, supranational and local authority, including taxable municipals) bond markets. This multi-currency benchmark includes fixed-rate bonds from both developed and emerging markets issuers which comply with the index provider's criteria.

The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices-fact-sheets-publications/

**Base Currency**
The base currency of the Fund is GBP.

**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 C 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 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 A 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.

**Integration of Sustainability Risk**
The Fund tracks the Benchmark Index and is managed with a focus on minimising its performance tracking error versus the Benchmark Index. The Investment Manager has considered the sustainability risk of the Fund when carrying out due diligence on the Benchmark Index as part of the index selection for the Fund. As the Fund is managed to track its Benchmark Index, the sustainability risk of the Fund will not influence individual security selection unless specifically incorporated into the methodology of the Benchmark Index by the index provider. As the Fund is passively managed, management of the portfolio does not include any separate

integration of sustainability risks into the investment process. However, given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund's returns is considered to be not material.

**Coutts Actively Managed US Equity Fund**

**Investment Objective**

The investment objective of the Coutts Actively Managed US Equity Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return in the form of capital growth and income.

**Investment Policy**

In order to achieve this investment objective, subject to the investment restrictions in Appendix B 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 (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.

In addition, subject to the restrictions set out in Appendix B of the Prospectus, the Fund may invest in other equities and equity-related securities, which may include equity securities and equity related securities of companies that are not incorporated in, listed in, or have their main business in, the US, and, for liquidity and other ancillary purposes, 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 D of the Prospectus, and are subject to the Exclusionary Policy set out in Appendix A of this Supplement.

The Fund may not at any time invest in CIS.

The Fund may invest in FDI (futures and forwards and any other instruments outlined in Appendix A of the Prospectus) for efficient portfolio management purposes (please refer to Appendix A 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 A 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 D 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 section 6 ("Risk Factors") of the Prospectus for further details.**

**Sub-Investment Managers**

The Investment Manager may appoint one or more sub-investment managers (which may include Affiliates of the Investment Manager) to provide investment management and advisory services in respect of all or part the assets of the Fund. Each sub-investment manager will manage such portion of the assets of the Fund as are allocated to it from time to time by the Investment Manager. The Investment Manager will select such sub-investment managers which are, in the opinion of the Investment Manager, of the highest quality based on an assessment of their investment process and philosophy, performance, organisational robustness and the strength of the management team. Subject to any overriding directions of the Manager, the Investment Manager will be responsible for the selection and appointment of any sub-investment managers to the Fund. Details of the sub-investment managers appointed to the Fund 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 Fund on an ongoing basis, in accordance with the requirements of the Central Bank.

**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 MSCI USA Index (the "Benchmark Index") when constructing the Fund's portfolio (based on the 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 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 (including its constituents) are available on the index provider's website at https://www.msci.com/constituents.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Investment Manager, as the delegate of the Management Company, considers sustainability risk alongside other investment risks in its processes. In order to seek the best risk-adjusted returns for the Fund, the Investment Manager will manage material risks and opportunities that could impact the Fund's portfolio, including financially material Environmental, Social and/or Governance (ESG) risks where relevant data or information is available. ESG integration links sustainability risks to investment decisions by using ESG data in financial analysis and risk management to identify, assess, and mitigate risks that could impact an investment's long-term value and performance. The Investment Manager will consider such ESG data or information within the total set of information in its research process and make a determination as to its materiality in its investment process. This information is not the sole consideration when making investment decisions and the extent to which sustainability risk is considered during investment decision making will also be determined by the materiality of such risks. For further information on how ESG integration is incorporated into the investment process, please see the "ESG Integration" section of the Prospectus.

The potential exposure to, and impact of, sustainability risk on the Fund's returns is determined by the Fund's investment strategy (including the geographical focus, portfolio management style, liquidity, sector allocation and product design). Given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts Actively Managed Global Investment Grade Credit Fund**

**Investment Objective**

The investment objective of the Coutts Actively Managed Global Investment Grade Credit Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return in the form of capital growth and income.

**Investment Policy**

In order to achieve this investment objective, subject to the investment restrictions in Appendix B 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), 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 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", "Russia", "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 B 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, convertible bonds (excluding contingent convertible bonds but including the options embedded in convertible bonds as further described below) 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 D of the Prospectus, and are subject to the Exclusionary Policy set out in Appendix A of this Supplement.

The Fund may not at any time invest in CIS.

The Fund may have exposure to fixed income securities traded on markets in Russia, 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 Russia, 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 (including without limitation the options embedded in convertible bonds) and any other instruments outlined in Appendix A of the Prospectus) for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix A of the Prospectus for further information). In particular, the Fund will seek to hedge any non-USD denominated investments of the Fund into USD.

Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix A 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 D 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.

Convertible bonds typically allow the holder to "convert" all or part of the principal balance together with accrued interest into common stock of the same issuer at a pre-determined conversion rate or pursuant to a pre-determined formula. Convertible bonds therefore typically embed an option and will therefore embed leverage, although such leverage is not expected to be material. Such embedded leverage is considered when calculating the leverage limits outlined above.

**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 section 6 ("Risk Factors") of the Prospectus for further details.**

**Sub-Investment Managers**

The Investment Manager may appoint one or more sub-investment managers (which may include Affiliates of the Investment Manager) to provide investment management and advisory services in respect of all or part the assets of the Fund. Each sub-investment manager will manage such portion of the assets of the Fund as are allocated to it from time to time by the Investment Manager. The Investment Manager will select such sub-investment managers which are, in the opinion of the Investment Manager, of the highest quality based on an assessment of their investment process and philosophy, performance, organisational robustness and the strength of the management team. Subject to any overriding directions of the Manager, the Investment Manager will be responsible for the selection and appointment of any sub-investment managers to the Fund. Details of the sub-investment managers appointed to the Fund 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 Fund on an ongoing basis, in accordance with the requirements of the Central Bank.

**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 Bloomberg Global Aggregate Credit Index (USD Hedged) (the "Benchmark Index") when constructing the Fund's portfolio (based on the 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 measures the performance of the global investment grade local currency corporate and government-related (foreign agencies, sovereign, supranational and local authority, including taxable municipals) bond markets. This multi-currency benchmark includes fixed-rate bonds from both developed and 'emerging markets issuers which comply with the index provider's criteria.

The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices-fact-sheets-publications/

**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 C 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 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 A 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.

**Integration of Sustainability Risk**
The Investment Manager, as the delegate of the Management Company, considers sustainability risk alongside other investment risks in its processes. In order to seek the best risk-adjusted returns for the Fund, the Investment Manager will manage material risks and opportunities that could impact the Fund's portfolio, including financially material Environmental, Social and/or Governance (ESG) risks where relevant data or information is available. ESG integration links sustainability risks to investment decisions by using ESG data in financial analysis and risk management to identify, assess, and mitigate risks that could impact an investment's long-term value and performance. The Investment Manager will consider such ESG data or information within the total set of information in its research process and make a determination as to its materiality in its investment process. This information is not the sole consideration when making investment decisions and the extent to which sustainability risk is considered during investment decision making will also be determined by the materiality of such risks. For further information on how ESG integration is incorporated into the investment process, please see the "ESG Integration" section of the Prospectus.

The potential exposure to, and impact of, sustainability risk on the Fund's returns is determined by the Fund's investment strategy (including the geographical focus, portfolio management style, liquidity, sector allocation and product design). Given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts US and Canada Enhanced Index Government Bond Fund**

**Investment Objective**

The investment objective of the Coutts US and Canada Enhanced Index Government Bond Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which aims to achieve some outperformance (gross of fees) of the total return of the Bloomberg Custom US and Canada Treasury Index GBP Hedged (the "Benchmark Index").

**Investment Policy**

In order to achieve this objective, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to predominantly invest in the fixed income securities that make up the Benchmark Index. The Benchmark Index comprises US and Canadian government bonds, and may include green bonds, issued by the US Treasury or the Canadian Treasury (as further described in the "The Benchmark Index" section below). The Fund may also invest in instruments relating to such fixed income securities (namely futures, forwards and interest rate swaps). The Fund may invest, on an ancillary basis, in fixed income securities issued by the US Treasury or the Canadian Treasury that do not form part of the Benchmark Index, including new issuances that are expected to be included in the Benchmark Index and bonds that have been removed from the Benchmark Index, and instruments relating to such bonds. All fixed income securities in which the Fund invests will have a credit rating which reflects that of the US Treasury (in respect of US securities) and the Canadian Treasury (in respect of Canadian securities).

The Fund applies an enhanced index strategy. Enhanced index strategies differ from pure index tracking strategies in that funds utilising this strategy invest in a similar universe of investments as the relevant benchmark index but aim to take overweight and/or underweight positions relative to the relevant benchmark index to generate some outperformance (gross of fees). The Investment Manager primarily uses a proprietary government bond security selection framework to identify investments within the Benchmark Index that it believes are mispriced. This framework is used to produce yield curves (i.e. graphs which depict how the yields on fixed income securities vary as a function of their years remaining to maturity) for the Fund's investment universe, and these yield curves are then used to compare fixed income securities with similar maturities. The Investment Manager uses this comparison to identify which securities it considers are overpriced/underpriced and it then underweights/overweights those positions versus the Benchmark Index accordingly.

The Fund's investments will normally be listed and traded on Regulated Markets in the US and Canada, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

In addition, the Fund may, subject to the restrictions set out in Appendix B of the Prospectus , invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The Fund may not at any time invest in CIS.

The Fund may invest in FDI, namely futures, forwards and interest rate swaps for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix A of the Prospectus for further information). Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix A 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 D of the Prospectus. In particular, the Fund will seek to hedge the investments of the Fund into GBP. The Fund may also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

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.

**Use of Benchmark**

The Fund is actively managed in that, while the Investment Manager will invest in a similar universe of

investments as the Benchmark Index, it may take overweight and/or underweight positions relative to the Benchmark Index in accordance with its enhanced index strategy. The Bloomberg Custom US and Canada Treasury Index GBP Hedged measures the performance of US dollar or Canadian dollar-denominated, fixed rate, nominal debt securities issued by the US Treasury and the Canadian Treasury (respectively) which comply with the index provider's size and other criteria, hedged into GBP. The securities will have a credit rating which reflects that of the US Treasury (in respect of US securities) and the Canadian Treasury (in respect of Canadian securities) and a minimum time to maturity of at least one year. The Benchmark Index may include green bonds issued by the US Treasury or the Canadian Treasury where the proceeds of such issuances will be used to help finance the US Treasury's or the Canadian Treasury's green or environmental objectives by funding projects which deliver environmental benefits and/or a more sustainable economy (for example, projects in the area of renewable energy, sustainable resource use, conservation, clean transportation and adaption to climate change). The Benchmark Index tracks nominal issues only (inflation-linked securities are not eligible for inclusion). Further details regarding the Benchmark Index are available on the index provider's website at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits.

The Fund is designed to provide investors with a selected exposure to the Benchmark Index by taking underweight or overweight positions relative to the Benchmark Index using the bond security selection framework as described in its objective and policy, which may generate a modest tracking difference. The Fund seeks to achieve the investment objective by typically taking a low to conservative level of active risk relative to the Benchmark Index in order to seek a commensurate active return on a gross of fees basis over the long term (i.e. 5 years or more).

**Base Currency**
The base currency of the Fund is GBP.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Investment Manager, as the delegate of the Management Company, considers sustainability risk alongside other investment risks in its processes. In order to seek the best risk-adjusted returns for the Fund, the Investment Manager will manage material risks and opportunities that could impact the Fund's portfolio, including financially material Environmental, Social and/or Governance (ESG) risks where relevant data or information is available. ESG integration links sustainability risks to investment decisions by using ESG data in financial analysis and risk management to identify, assess, and mitigate risks that could impact an investment's long-term value and performance. The Investment Manager will consider such ESG data or information within the total set of information in its research process and make a determination as to its materiality in its investment process. This information is not the sole consideration when making investment decisions and the extent to which sustainability risk is considered during investment decision making will also be determined by the materiality of such risks. For further information on how ESG integration is incorporated into the investment process, please see the "ESG Integration" section of the Prospectus.

The potential exposure to, and impact of, sustainability risk on the Fund's returns is determined by the Fund's investment strategy (including the geographical focus, portfolio management style, liquidity, sector allocation and product design). Given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts Europe Enhanced Index Government Bond Fund**

**Investment Objective**

The investment objective of the Coutts Europe Government Bond Enhanced Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which aims to achieve some outperformance (gross of fees) of the total return of the Bloomberg Custom European Government Bond Index – GBP Hedged (the "Benchmark Index").

**Investment Policy**

In order to achieve this objective, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to predominantly invest in the fixed income securities that make up the Benchmark Index. The Benchmark Index comprises bonds representing public obligations of certain developed market countries in Europe, and may include green bonds (as further described in the "The Benchmark Index" section below). The Fund may also invest in instruments relating to such fixed income securities (namely futures, forwards and interest rate swaps). The Fund may invest, on an ancillary basis, in fixed income securities issued by the public authorities of certain developed market countries in Europe that do not form part of the Benchmark Index, including new issuances that are expected to be included in the Benchmark Index and fixed income securities that have been removed from the Benchmark Index, and instruments relating to such securities. All fixed income securities in which the Fund invests will have a credit rating which reflects that of the public authority which has issued them.

The Fund applies an enhanced index strategy. Enhanced index strategies differ from pure index tracking strategies in that funds utilising this strategy invest in a similar universe of investments as the relevant benchmark index but aim to take overweight and/or underweight positions relative to the relevant benchmark index to generate some outperformance (gross of fees). The Investment Manager primarily uses a proprietary government bond security selection framework to identify investments within the Benchmark Index that it believes are mispriced. This framework is used to produce yield curves (i.e. graphs which depict how the yields on fixed income securities vary as a function of their years remaining to maturity) for the Fund's investment universe, and these yield curves are then used to compare fixed income securities with similar maturities. The Investment Manager uses this comparison to identify which securities it considers are overpriced/underpriced and it then underweights/overweights those positions versus the Benchmark Index accordingly.

The Fund's investments will normally be listed and traded on Regulated Markets in Europe, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix D of the Prospectus.

In addition, the Fund may, subject to the restrictions set out in Appendix B of the Prospectus, invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The Fund may not at any time invest in CIS.

The Fund may invest in FDI, namely futures, forwards and interest rate swaps for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix A of the Prospectus for further information). Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix A 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 D of the Prospectus. In particular, the Fund will seek to hedge any non-GBP denominated investments of the Fund into GBP. The Fund may also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

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.

**Use of Benchmark**

The Fund is actively managed in that, while the Investment Manager will invest in a similar universe of investments as the Benchmark Index, it may take overweight and/or underweight positions relative to the

Benchmark Index in accordance with its enhanced index strategy. The Bloomberg Custom European Government Bond – GBP Hedged measures the performance of fixed rate, nominal debt securities that represent the public obligations of certain developed market countries in Europe and that comply with the index provider's size and other criteria, hedged into GBP. Such securities will have a credit rating which reflects that of the public authority which has issued them and a minimum time to maturity of at least one year. The Benchmark Index may include green bonds that represent public obligations of developed market countries in Europe where the proceeds of such issuances will be used to help finance such countries' green or environmental objectives by funding projects which deliver environmental benefits and/or a more sustainable economy (for example, projects in the area of renewable energy, sustainable resource use, conservation, clean transportation and adaption to climate change). The Benchmark Index tracks nominal issues only (inflation-linked securities are not eligible for inclusion). Further details regarding the Benchmark Index are available on the index provider's website at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits.

The Fund is designed to provide investors with a selected exposure to the Benchmark Index by taking underweight or overweight positions relative to the Benchmark Index using the bond security selection framework as described in its objective and policy, which may generate a modest tracking difference. The Fund seeks to achieve the investment objective by typically taking a low to conservative level of active risk relative to the Benchmark Index in order to seek a commensurate active return on a gross of fees basis over the long term (i.e. 5 years or more).

**Base Currency**
The base currency of the Fund is GBP.

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Investment Manager, as the delegate of the Management Company, considers sustainability risk alongside other investment risks in its processes. In order to seek the best risk-adjusted returns for the Fund, the Investment Manager will manage material risks and opportunities that could impact the Fund's portfolio, including financially material Environmental, Social and/or Governance (ESG) risks where relevant data or information is available. ESG integration links sustainability risks to investment decisions by using ESG data in financial analysis and risk management to identify, assess, and mitigate risks that could impact an investment's long-term value and performance. The Investment Manager will consider such ESG data or information within the total set of information in its research process and make a determination as to its materiality in its investment process. This information is not the sole consideration when making investment decisions and the extent to which sustainability risk is considered during investment decision making will also be determined by the materiality of such risks. For further information on how ESG integration is incorporated into the investment process, please see the "ESG Integration" section of the Prospectus.

The potential exposure to, and impact of, sustainability risk on the Fund's returns is determined by the Fund's investment strategy (including the geographical focus, portfolio management style, liquidity, sector allocation and product design). Given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

**Coutts Japan Enhanced Index Government Bond Fund**

**Investment Objective**

The investment objective of the Coutts Japan Government Bond Enhanced Index Fund (the "Fund" for the purposes of this part of the Supplement) is to provide a total return, taking into account both capital and income returns, which aims to achieve some outperformance (gross of fees) of the total return of the Bloomberg Japan Treasury Index GBP Hedged (the "Benchmark Index").

**Investment Policy**

In order to achieve this objective, subject to the investment restrictions in Appendix B of the Prospectus, the investment policy of the Fund is to predominantly invest in the fixed income securities that make up the Benchmark Index. The Benchmark Index comprises bonds representing public obligations of Japan and may include green bonds (as further described in the "The Benchmark Index" section below). The Fund may also invest in instruments relating to such fixed income securities (namely futures, forwards and interest rate swaps). The Fund may invest, on an ancillary basis, in fixed income securities issued by the public authorities of Japan that do not form part of the Benchmark Index, including new issuances that are expected to be included in the Benchmark Index and fixed income securities that have been removed from the Benchmark Index, and instruments relating to such securities. All fixed income securities in which the Fund invests will have a credit rating which reflects that of the Japanese Treasury.

The Fund applies an enhanced index strategy. Enhanced index strategies differ from pure index tracking strategies in that funds utilising this strategy invest in a similar universe of investments as the relevant benchmark index but aim to take overweight and/or underweight positions relative to the relevant benchmark index to generate some outperformance (gross of fees). The Investment Manager primarily uses a proprietary government bond security selection framework to identify investments within the Benchmark Index that it believes are mispriced. This framework is used to produce yield curves (i.e. graphs which depict how the yields on fixed income securities vary as a function of their years remaining to maturity) for the Fund's investment universe, and these yield curves are then used to compare fixed income securities with similar maturities. The Investment Manager uses this comparison to identify which securities it considers are overpriced/underpriced and it then underweights/overweights those positions versus the Benchmark Index accordingly.

The Fund's investments will be listed and traded on Regulated Markets as set out in Appendix D of the Prospectus.

In addition, the Fund may, subject to the restrictions set out in Appendix B of the Prospectus, invest for liquidity and other ancillary purposes, in cash and/or cash equivalents (such as term deposits and bank certificates).

The Fund may not at any time invest in CIS.

The Fund may invest in FDI, namely futures, forwards and interest rate swaps for direct investment purposes or for efficient portfolio management purposes (please refer to Appendix A of the Prospectus for further information). Where the Fund invests in FDI, it shall do so within the limitations specified in Appendix B 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 D of the Prospectus. In particular, the Fund will seek to hedge the investments of the Fund into GBP. The Fund may also engage in short-term secured lending of its investments to third parties as a means of generating additional income (as set out in Appendix A of the Prospectus and on the basis set out in Appendix B of this Supplement).

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.

**Use of Benchmark**

The Fund is actively managed in that, while the Investment Manager will invest in a similar universe of investments as the Benchmark Index, it may take overweight and/or underweight positions relative to the

Benchmark Index in accordance with its enhanced index strategy. The Bloomberg Japan Treasury Index GBP Hedged measures the performance of fixed rate, nominal debt securities that represent the public obligations of Japan and that comply with the index provider's size and other criteria, hedged into GBP. Such securities will have a credit rating which reflects that of the Japanese Treasury and a minimum time to maturity of at least one year. The Benchmark Index may include green bonds that represent public obligations of Japan where the proceeds of such issuances will be used to help finance such countries' green or environmental objectives by funding projects which deliver environmental benefits and/or a more sustainable economy (for example, projects in the area of renewable energy, sustainable resource use, conservation, clean transportation and adaption to climate change). The Benchmark Index tracks nominal issues only (inflation-linked securities are not eligible for inclusion). Further details regarding the Benchmark Index are available on the index provider's website at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits.

The Fund is designed to provide investors with a selected exposure to the Benchmark Index by taking underweight or overweight positions relative to the Benchmark Index using the bond security selection framework as described in its objective and policy, which may generate a modest tracking difference. The Fund seeks to achieve the investment objective by typically taking a low to conservative level of active risk relative to the Benchmark Index in order to seek a commensurate active return on a gross of fees basis over the long term (i.e. 5 years or more).

**Base Currency**
The base currency of the Fund is GBP

**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 C 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 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 A of the Prospectus.

**Integration of Sustainability Risk**
The Investment Manager, as the delegate of the Management Company, considers sustainability risk alongside other investment risks in its processes. In order to seek the best risk-adjusted returns for the Fund, the Investment Manager will manage material risks and opportunities that could impact the Fund's portfolio, including financially material Environmental, Social and/or Governance (ESG) risks where relevant data or information is available. ESG integration links sustainability risks to investment decisions by using ESG data in financial analysis and risk management to identify, assess, and mitigate risks that could impact an investment's long-term value and performance. The Investment Manager will consider such ESG data or information within the total set of information in its research process and make a determination as to its materiality in its investment process. This information is not the sole consideration when making investment decisions and the extent to which sustainability risk is considered during investment decision making will also be determined by the materiality of such risks. For further information on how ESG integration is incorporated into the investment process, please see the "ESG Integration" section of the Prospectus.

The potential exposure to, and impact of, sustainability risk on the Fund's returns is determined by the Fund's investment strategy (including the geographical focus, portfolio management style, liquidity, sector allocation and product design). Given the investment strategy of the Fund and the Fund's risk profile, the impact of sustainability risk on the Fund is considered to be not material.

**For further explanation of sustainability risk, please see the Risk Factors.**

## 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 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. 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 Coutts.

Please see section 3 ("Management and Administration") of the Prospectus for further details.

### Voting Policy Provider

The Investment Manager may appoint a voting policy provider to exercise and/or advise with respect to such voting rights as the ICAV may have arising from the underlying investments of any or all of its Funds. Details of any Voting Policy Provider, including details of the principles followed by the Voting Policy Provider in determining when and how any voting rights are to be exercised (or for advising in respect thereof), will be provided to Shareholders on request and disclosed in the ICAV's periodic reports.

## SHARE CLASSES

Shares in the current Funds are divided into Class C Shares and Class NC Shares.

Class C Shares are available to investors introduced to the Funds by the exclusive sub-distributor, Coutts, and are subject to the minimum subscription and holding requirements set out below and in accordance with local regulations.

Class NC Shares are available to:

(a) investors who held Class C Shares indirectly (through a nominee of Coutts) of a relevant Fund but who instructed Coutts 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 C Shares, or part thereof, will be switched into Class NC Shares (to be held ultimately through a nominee of the new investment services provider); and

(b) other investors at the discretion of the Manager,

(in each case) subject to the minimum subscription and holding requirements set out below and in accordance with local regulations. Subsequent subscriptions for Class NC 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 NC Shares are available).

Class C Shares and Class NC Shares are further divided into Accumulating and Distributing Share Classes. Accumulating Share Classes do not pay dividends, whereas Distributing Share Classes may pay dividends. See the subsection below headed 'Dividends' for further information. Please find below further information

about the types of Shares available to investors:

Different Share Classes will be established for subsequent Funds.

Minimum subscription amounts and initial offer periods

| Share Class | Minimum subscription | Minimum subsequent subscription | Minimum holding amount for existing Shareholders |
|---|---|---|---|
| Class C 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 NC Shares | £50,000, €50,000 or US$50,000 (as applicable) | £50,000, €50,000 or US$50,000 (as applicable)[1] | £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 (where applicable) other than where the Dealing Currency is denominated in a currency other than GBP, US Dollar or Euro, in which case an amount equivalent to the GBP amount indicated above shall be used. 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 8 July 2026 until 5 pm (UK time) on 7 January 2027 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.

## VALUATION, SUBSCRIPTIONS AND REDEMPTIONS

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

## RISK FACTORS

Before investing in any of the Funds, please read this Risk Factors section in full.

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 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.

[1] Subsequent subscriptions for Class NC 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 NC Shares are available.

***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 ("Taxation") 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.



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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 restitute 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.

***Cybersecurity and Technological Malfunctions 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 caused by service 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 relies 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, 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.

***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 C 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.

***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 may also have a negative impact on the performance of the Funds. For example, an infectious respiratory disease caused by a novel coronavirus known as COVID-19 detected in December 2019 gave rise to a global pandemic. This pandemic adversely affected the economies of many nations globally, negatively affecting the performance of individual companies and capital markets. Future epidemics and pandemics could have similar effects, and the extent of their impact cannot be foreseen at the present time.

Moreover, the impact of infectious diseases in certain developing or emerging market countries may be more severe due to less established healthcare systems, as was evident with COVID-19. Health crises caused by infectious diseases can exacerbate existing political, social, and economic risks in these countries leading to prolonged recovery periods and greater investment risks in these regions. The long-term effects of such outbreaks may include increased volatility as investors react to uncertainty and rapidly changing conditions and potential losses in the value of investments.

Governments and regulatory bodies may implement new policies and regulations in response to health crises, which can impact various industries and investment strategies. These responses can include fiscal stimulus, changes in healthcare policies, and adjustments to trade and travel regulations.

2. **Risk associated with the Index Tracking Funds and the Enhanced Index Funds**

*Passive Investment Risk*
The Index Tracking Funds are not actively managed and may be affected by a general decline in market segments related to their respective Benchmark Indices. The Enhanced Index Funds, which invest in a similar universe of investments as their respective Benchmark Indices, may be similarly affected. The Index Tracking Funds invest in securities included in, or representative of, their respective Benchmark Indices, and the Funds do not attempt to take defensive positions under any market conditions, including declining markets. The Enhanced Index Funds aim to take overweight and/or underweight positions relative to their respective Benchmark Indices in order to generate some outperformance (gross of fees) relative to such indices – accordingly, the ability of Enhanced Index Funds to take defensive positions, including at times of declining markets, may be significantly constrained.

*Index Tracking Risks*
While Index Tracking Funds in accordance with their investment objectives, seek to track the performance of their respective Benchmark Indices, whether through a replication or optimising strategy, there is no guarantee that they will achieve perfect tracking and the Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Benchmark Indices, from time to time. This tracking error may result from an inability to hold the exact constituents of the Benchmark Index, (although this is not the expected cause of tracking error for non-replicating Funds), for example where there are local market trading restrictions, small illiquid components, a temporary unavailability or interruption in trading of certain securities comprising the Benchmark Index, or in order to meet a Fund's ESG criteria or categorisations and/or where the Regulations limit exposure to the constituents of the Benchmark Index.

Where the Benchmark Index of a Fund is to be rebalanced and the Fund seeks to rebalance its portfolio accordingly, the Fund may nevertheless experience tracking error where the rebalancing of the Fund's portfolio does not maintain an exact or contemporaneous alignment, whether on a replicating or an optimised basis, with the Benchmark Index. For example, a Fund may require time to complete the implementation of its rebalance after the rebalance of its Benchmark Index. In addition, a Fund which tracks

a Benchmark Index with ESG objectives or characteristics may experience a deviation from the ESG performance or risk of its Benchmark Index. For liquidity purposes, the Funds may hold a portion of their net assets in cash and such cash holdings will not rise and fall in line with movements in their respective Benchmark Indices. In addition, the Funds rely on index licences granted by third-party index providers to use and track the Benchmark Indices for its Funds. In the event that an index provider terminates or varies an index licence, it will affect the ability of the impacted Funds to continue to use and track their Benchmark Indices and to meet their investment objectives. In such circumstances, the Directors may take such action as described in the section entitled "Benchmark Indices". Regardless of market conditions, the Funds aim to track the performance of their respective Benchmark Indices and do not seek to outperform their respective Benchmark Indices.

*Index Related Risks*
To meet its investment objective, each Index Tracking Fund will seek to achieve a return which reflects the return of its Benchmark Index. Similarly, to meet its investment objective, each Enhanced Index Fund will seek to generate a return which outperforms (gross of fees) the return of its Benchmark Index as published by the relevant index provider. However, in both cases, there is no assurance that the index provider will compile the Benchmark Index accurately, or that the Benchmark Index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the Benchmark Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Benchmark Index, and does not guarantee that the Benchmark Index will be in line with the described index methodology.

The Investment Manager's mandate as described in the Prospectus, in respect of each Index Tracking Fund, is to manage it consistently with the relevant Benchmark Index provided to the Investment Manager, Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. 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, particularly where the indices are less commonly used. The coverage and quality of ESG-related data on issuers and issuances (in particular new issuances) may vary based on asset class, market exposure, sectors or instrument types. Therefore gains, losses or costs associated with index provider errors will be borne by the Index Tracking Funds and their investors. For example, during a period where the Benchmark Index contains incorrect constituents, an Index Tracking Fund tracking such published Benchmark Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Benchmark Index. As such, errors may result in a negative or positive performance impact to the Index Tracking Funds and their investors. Investors should understand that any gains from index provider errors will be kept by the Index Tracking Funds and their investors and any losses resulting from index provider errors will be borne by the Index Tracking Funds and their investors.

Similarly, in respect of each Enhanced Index Fund, the Investment Manager's mandate is to manage it by reference to the relevant Benchmark Index to generate outperformance (gross of fees). Although the Investment Manager will overweight and underweight positions from the relevant Benchmark Index, the Investment Manager is similarly reliant on the Benchmark Index provided to it by the relevant index provider and Enhanced Index Funds and their investors may be similarly exposed to index provider errors and the gains, losses or costs associated with them.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of an Index Tracking Fund or an Enhanced Index Fund is rebalanced and the Index Tracking Fund or the Enhanced Index Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Index Tracking Fund or the Enhanced Index Fund (as relevant) and its investors. Unscheduled rebalances to the Benchmark Indices may also expose the Index Tracking Funds to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to a Benchmark Index may increase the costs and market exposure risk of the relevant Index Tracking Fund or Enhanced Index Fund.

*Index Disruption Risk*
Disruptions to the calculation and publication of the Benchmark Indices ("Index Disruption Events") include, but are not limited to, situations where: the Benchmark Index level is deemed to be inaccurate or does not reflect actual market developments; it is not possible to obtain a price or value of one or several constituents of the Benchmark Index (such as due to their becoming illiquid or having their quotation

suspended on a stock exchange); the index provider fails to calculate and publish the Benchmark Index level; the Benchmark Index is temporarily suspended or permanently discontinued by the index provider. Such Index Disruption Events may have an impact on the accuracy and/or availability of the published price of the Benchmark Index and in some instances also the Net Asset Value of the Fund.

*Passive Investment Risk*
Funds are not actively managed and may be affected by a general decline in market segments related to their respective Benchmark Indices. The Funds invest in securities included in, or representative of, their respective Benchmark Indices, and the Funds do not attempt to take defensive positions under any market conditions, including declining markets

*Optimising Strategy*
In respect of an Index Tracking Fund, it may not be practical or cost efficient to replicate the Fund's Benchmark Index. Where it is not part of the Funds' investment policy to replicate its Benchmark Index, such Fund may use optimisation techniques to track the performance of their Benchmark Index. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the relevant Fund's Benchmark Index, holding securities in proportions that differ from the proportions of the Fund's Benchmark Index and/or the use of FDIs to track the performance of certain securities that make up the Fund's Benchmark Index. The Investment Manager may also select securities which are not underlying constituents of the relevant Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the relevant Benchmark Index. Optimising Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Benchmark Indices.

3. **Risk associated with the Actively Managed non-EI Funds and the Enhanced Index 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. Accordingly, selection risk is likely to be more significant for the Actively Managed non-EI Funds, but it is also relevant to the Enhanced Index Funds to the extent the Investment Manager deviates from the Benchmark Indices of those funds.

4. **Risk associated with the Enhanced Index Funds**

*Model risk*
Each Enhanced Index Fund seeks to pursue its investment objective by using proprietary models that incorporate quantitative analysis. Investments selected using these models may perform differently than as forecasted due to the factors incorporated into the models and the weighting of each factor, changes from historical trends, and issues in the construction and implementation of the models (including, but not limited to, software issues and other technological issues). There is no guarantee that BlackRock's use of these models will result in effective investment decisions for the Fund. The information and data used in the models may be supplied by third parties. Inaccurate or incomplete data may limit the effectiveness of the models. In addition, some of the data that BlackRock uses may be historical data, which may not accurately predict future market movement. There is a risk that the models will not be successful in selecting investments or in determining the weighting of investment positions that will enable the Fund to achieve its investment objective.

5. **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.

*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.

*Fixed Income risks - 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.

*Fixed Income risks - 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).

*Fixed Income risks - Convertible Bonds*
A Fund may invest in convertible bonds, which may include corporate notes or preferred stock but are ordinary long-term debt obligations of the issuer convertible at a stated exchange rate into common stock of the issuer. As with all debt securities, the market value of convertible bonds tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible bonds generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying common stock. Convertible bonds generally rank senior to common stocks in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's common stock.

***Fixed Income risks - 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 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, and subject to the restrictions set out in Appendix B 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 B 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 A 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 B 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 B 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, 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 a Fund's global exposure (as disclosed in the Risk Management Approach for each of the Funds), ensuring each Fund complies with the investment restrictions set out in Appendix B of the Prospectus. Details about the Commitment Approach and VaR are included at Appendix A of the Prospectus.

For more detail regarding the derivative strategies applied by individual Funds please refer to the individual Fund investment objectives in this Supplement 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



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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 Funds maintain 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.

**Securities Lending Risk**

The ICAV engages in a securities lending programme through the Investment Manager. Securities are lent to borrowers on a title transfer basis, so borrowers are required to return to the relevant Fund securities that are equivalent to those lent, rather than the original securities. When securities are lent to a borrower, there is a risk that the borrower may default on their obligation to return equivalent securities. In order to mitigate this credit risk, the lending of a Fund's securities must be covered by high-quality and liquid collateral received by the Fund under a title transfer arrangement, and such collateral must maintain a market value at all times at least equivalent to the market value of the Fund's securities lent plus a premium.

The market value of securities lent and collateral received can, however, fluctuate over time. As such, credit risk can arise during the life of a loan (for example, where the market value of the collateral falls below the value of the securities lent). A default by the borrower in such circumstances may result in a reduction in the value of the Fund. To mitigate these risks, the ICAV benefits from a collateral shortfall indemnity provided by BlackRock, whereby the Fund is reimbursed by BlackRock if the value of the collateral received from the borrower does not cover the value of the securities lent by the Fund.

Securities lending involves exposure to certain other risks, including operational risk (such as the risk of losses resulting from problems in the settlement and accounting process), currency risk (such as the risk that in the event of a default by the borrower there may be a shortfall when collateral received by the Fund is denominated in a currency other than the base currency of the Fund due to movements in foreign exchange rates), legal risk (such as the risk that a court declares a contract unenforceable), taxation risk (such as the risk of changes to the status of issuers under applicable laws and regulations, including tax regulations, that may impact the regulatory or tax treatment of loaned securities and could, for example, result in a delay in the payment of dividend equivalent payments owed to a Fund as permitted by applicable law), and market risk (such as the risk that market events, including but not limited to corporate actions, could lead the Fund to lend securities that are trading at a premium due to increased demand, or to recall loaned securities or to lend less or not at all, which could lead to reduced securities lending revenue). In the context of market risk, if a Fund were to lend out securities that are subject to a corporate action and commit to the borrower a particular election as determined by the Investment Manager, the benefit the Fund would receive in respect of committing to such election may or may not be less than the benefit the Fund would have received from making a different election in such corporate action. Investors should also note that a limitation of maximum securities lending levels by a Fund, at a time when demand exceeds those maximum levels, may reduce potential income to a Fund that is attributable to securities lending. Please refer to "Efficient Portfolio Management" for further detail.

There are potential conflicts of interest in managing the securities lending program, including but not limited to: (i) The Investment Manager as securities lending agent may have an incentive to, among other things, increase or decrease the amount of securities on loan, lend particular securities, or accept and/or preference affiliated products as collateral in order to generate additional risk-adjusted fees and/or other potential benefits for the Investment Manager and/or its affiliates; (ii) The Investment Manager as securities lending agent may have an incentive to allocate loans to clients that would provide more revenue to BlackRock; and (iii) an indemnity is offered to certain clients, including the ICAV, for any collateral shortfall in the event of a borrower's default, so the Investment Manager as securities lending agent may have an incentive to mitigate the possible risk of BlackRock incurring losses under the indemnity by preferencing un-indemnified clients over indemnified clients. BlackRock seeks to mitigate this conflict by providing its securities lending clients with equal lending opportunities over time in order to approximate pro rata allocation.

***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.

*Exposures to Russian investments and the Russian invasion of Ukraine*

Following Russia's invasion of Ukraine in February 2022, significant sanctions against Russia were instituted by the United States, the United Kingdom, and the European Union, along with the regulatory bodies in a number of countries, including Japan, Australia, and Canada. These include prohibitions on transacting or dealing in new investments in the Russian Federation. Retaliatory measures have been taken by Russia, including the freezing of certain Russian assets and trading restrictions on non-Russian investors.

While Benchmark Index providers subsequently removed Russian securities from the Benchmark Indices, certain Funds continue to hold exposures to Russian securities which cannot be divested at this time.

Compliance with applicable sanctions, laws and regulations will impair the ability of a Fund to buy, sell, hold, receive or deliver securities of such issuers or securities subject to, or otherwise affected by, sanctions (Russian securities). While a Fund may be legally permitted to divest or transfer certain Russian securities if and to the extent authorised by a general license, issued by a recognised sanctions authority, other restrictions and/or impaired trading conditions may mean that it remains impracticable or impossible for a Fund to do so.

Where a Fund is unable to eliminate or reduce its holdings of the affected securities, for example, where compliance with sanctions impairs its ability to sell or deliver such securities, the Fund will continue to hold such securities in its portfolio and will retain residual exposure to the Russian securities until it can trade out of them.

It is anticipated that, even as the local Russian market reopens for Russian investors, sanctions against Russian entities and individuals, trading restrictions on non-Russian investors, and/or restrictions on currency conversion and/or repatriation may continue for some time. The absence of normal market trading conditions and the removal of such Russian securities from the Benchmark Indices at zero value means that such investments held by the Funds are currently fair valued to almost zero.

As and when non-local investors are allowed to trade and settle in the Russian stock market and in compliance with applicable law and regulations, including relevant sanctions laws, and under appropriate market conditions, the Investment Manager will seek to implement an orderly and managed disposal of Russian securities, taking into consideration multiple factors including, but not limited to, liquidity, spreads, international investor access, volume and volatility. Due to political and market uncertainties and the fact that it is not possible to predict the optimal time for selling the Russian securities or whether certain securities can be sold at all, there is no guarantee that optimal value, or any value at all, can be achieved. An assessment will be made on the basis of information available to the Investment Manager at the relevant time.

Additionally, where the objective of the Fund is to track the relevant Benchmark Index, with an aim of minimising tracking error by the rebalancing of the Fund's portfolio to align with the constituents of its Benchmark Index. The Russian securities have now been removed from the Funds' Benchmark Indices. Consequently, as and when the Russian securities held by the Funds come to be valued at more than zero, this may result in increased tracking error risk and potentially significant tracking error between a Fund's performance and the performance of its Benchmark Index. Further, due to liquidity constraints, Russian securities may become ineligible assets for the Funds. These factors mean that the Funds may be required to dispose of these assets as soon as possible once they can be sold and it may therefore be necessary to dispose of the assets at a lower value than that at which they might otherwise be realised.

A Fund also may not be able to pay out redemption proceeds in respect of the assets which are frozen or may need to liquidate non-restricted assets in order to satisfy redemption orders. The liquidation of a Fund's assets during this time, where practicable, may also result in a Fund receiving substantially lower prices for its securities.

The Directors may (at their discretion) take such action as they consider to be in the interests of investors in

Funds, including (if necessary) suspending trading in the Funds (see the section entitled "Temporary Suspensions" for more details) and/or taking such action as described in the section entitled "Change of a Fund's Benchmark Index".

Additional risks related to the holding of Russian securities:

- The laws relating to securities investments and regulations in Russia do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application.

- Rules regulating corporate governance either do not exist or are underdeveloped and offer little protection to minority shareholders.

- There are also counterparty risks in connection with the maintenance of portfolio securities and cash with local sub-custodians and securities depositories in Russia.

These factors may increase the volatility of any such Fund (depending on its degree of investment in Russia) and hence the risk of loss to the value of your investment.

***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 this Supplement, 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.

***ESG Policy***

*ESG Integration Risk*:

Where the Investment Manager and any sub-investment managers appointed by it in respect of such a Fund take into account ESG characteristics when selecting the Fund's investments in assessing a security or an issuer based on ESG characteristics, the Investment Manager and any sub-investment managers may be dependent upon information and data from third party ESG research providers, which may be incomplete, inaccurate or unavailable. 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.

Investors should 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. Investors should refer to Appendix A of this Supplement for further details of ESG characteristics applied in respect of the Funds.

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***
BlackRock defines sustainability risk as an investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that arises from environmental, social and/or governance issues. In this assessment, BlackRock focuses on the investment risks that are financially material to the Fund. The definition of sustainability risks is not intended to capture the risk that a Fund with sustainable characteristics or objectives fails to meet its sustainable commitments.

As with other investment risks and opportunities, the financial materiality of sustainability risks may vary by issuer, sector, product, mandate, and time horizon. See the BlackRock SFDR Sustainability Risk Statement applicable to the Manager, as required under Article 3 of SFDR, for further information (which is available at: www.blackrock.com/corporate/sustainability).

The outcome of the sustainability risk assessment outlined below is an assessment at the Fund level with no reference to the benchmark or active objective of the Fund (as the case may be). This is designed to give investors an indication of the total level of sustainability risk they may be exposed to when investing in a particular Fund. It is not intended to represent how sustainability risk is managed within the investment processes, as risk is managed within the objective of the Fund, and typically assessed relative to the benchmark of the Fund. Like other investment risks, the ability to manage sustainability risk depends on the Fund chosen. If an investor chooses a Fund with limited investment discretion - such as an index replicating Fund - the ability to manage or control the sustainability risk present in that Fund will be constrained.

Whilst the impact of sustainability risks may differ from fund to fund, as noted in the Risk Factors above, all Funds may be subject to some aspects of sustainability risk, given sustainability risk may manifest itself through existing other risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.).

Sustainability risk may be reflected in two ways: 1) a Fund's potential exposure to a sustainability risk event and 2) the potential financial impact to a Fund's performance should such a sustainability risk event or factor occur. In assessing the potential impact of sustainability risk, these aspects are considered against the Fund characteristics as listed below. Exposure and impact are assessed across a 5-year (or less) time horizon as aligned with the investment horizon of the majority of BlackRock funds.

- **Fund Geographical Focus:** The geographic location of underlying investments may impact the extent to which a Fund is exposed to and impacted by a sustainability risk event or factor. Certain conditions in a geographic location such as the local climate, regulatory environment, economic diversification or level of infrastructure may impact the extent to which a Fund is exposed to either the physical impacts of climate change, the risks related to the transition to a lower carbon economy or social and governance risks.
- **Fund Liquidity**: Funds with lower liquidity may be less able to exit positions impacted by sustainability risk and are therefore both more exposed to sustainability risk events and more likely to be financially impacted by a sustainability risk event if it occurs.
- **Fund Sector Allocation**: Certain sectors are likely to be more exposed to the impacts of sustainability risks. As a result, issuers in such sectors may require significant business model transformation or face decreased demand for their goods or services. These effects could be positive or negative depending on company positioning for the future, current economic activities and ability to manage change. Funds with a higher allocation to such sectors, for example, the energy sector, are expected to have higher exposure to sustainability-related risks and also expect a higher impact on financial performance should a sustainability risk event occur. Funds that have lower exposures to these sectors are expected to have lower exposure to sustainability-related risk and are expected to experience a lower impact on financial performance should a sustainability risk event occur.
- **Product design:** Funds with explicit aims to consider environmental or social characteristics, or with explicit sustainability objectives, adopt investment strategies which drive greater exposure to sustainability related themes and therefore have a higher exposure to a sustainability risk event. As these Funds have greater exposure to sustainability related themes, they can expect a higher financial performance impact should a sustainability risk event occur.

BlackRock classifies each of the above factors and aggregates the factor assessments to a fund-by-fund overall classification of material or not material.

**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** |
|---|---|
| Coutts UK Equity Index Fund | £30,000 |
| Coutts US Equity Index Fund | £30,000 |
| Coutts Europe ex UK Equity Index Fund | £30,000 |
| Coutts North America Equity Index Fund | £30,000 |
| Coutts Emerging Markets Equity Index Fund | £30,000 |
| Coutts Global Credit Bond Index Fund | £30,000 |
| Coutts Actively Managed US Equity Fund | £30,000 |
| Coutts Actively Managed Global Investment Grade Credit Fund | £30,000 |
| Coutts US and Canada Enhanced Index Government Bond Fund | £30,000 |
| Coutts Europe Enhanced Index Government Bond Fund | £30,000 |
| Coutts Japan Enhanced Index Government Bond Fund | £30,000 |

**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"), 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)** |
|---|---|---|
| Coutts UK Equity Index Fund | Class C<br>Class NC | Up to 0.18%<br>Up to 0.36% |
| Coutts US Equity Index Fund | Class C<br>Class NC | Up to 0.18%<br>Up to 0.36% |
| Coutts Europe ex UK Equity Index Fund | Class C<br>Class NC | Up to 0.18%<br>Up to 0.36% |
| Coutts North America Equity Index Fund | Class C<br>Class NC | Up to 0.18%<br>Up to 0.36% |
| Coutts Emerging Markets Index Equity Fund | Class C<br>Class NC | Up to 0.18%<br>Up to 0.36% |
| Coutts Global Credit Bond Index Fund | Class C<br>Class NC | Up to 0.25%<br>Up to 0.50% |
| Coutts Actively Managed US Equity Fund | Class C<br>Class NC | Up to 0.75%<br>Up to 1.50% |
| Coutts Actively Managed Global Investment Grade Credit Fund | Class C<br>Class NC | Up to 0.45%<br>Up to 0.90% |
| Coutts US and Canada Enhanced Index Government Bond Fund | Class C<br>Class NC | Up to 0.20%<br>Up to 0.40% |
| Coutts Europe Enhanced Index Government Bond Fund | Class C<br>Class NC | Up to 0.20%<br>Up to 0.40% |
| Coutts Japan Enhanced Index Government Bond Fund | Class C<br>Class NC | Up to 0.20%<br>Up to 0.40% |

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 B of the Prospectus and where permitted pursuant to its investment policy as set out in this Supplement, 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.

**Securities Lending Fee**
Each Fund may enter into securities lending agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank UCITS Regulations and in accordance with the requirements of the Central Bank.

All revenues from efficient portfolio management techniques will be returned to the relevant Fund, net of direct and indirect operational costs and fees (which do not include hidden revenue).

The maximum proportion of the Net Asset Value of each Fund that can be subject to securities lending is set out in Appendix B of this Supplement.

BlackRock Advisors (UK) Limited has been appointed by the Manager as the securities lending agent of the Funds under the terms of a securities lending management agreement. Under the terms of such an agreement, the securities lending agent is appointed to manage the relevant Fund's securities lending activities and is entitled to receive a fee out of the income generated from securities lending. The fee of the securities lending agent represents direct costs (and if relevant indirect operational costs/fees) of the Fund's securities lending activities. All revenue generated from securities lending activities net of the securities lending agent's fee will be returned to the Fund. If there is securities lending revenue generated, the securities lending agent will receive a fee of 37.5% of such securities lending revenue and will pay any third party operational and administrative costs associated with, and incurred in respect of, such activity, out of its fee. To the extent that the securities lending costs payable to third parties exceed the fee received by the securities lending agent, the securities lending agent will discharge any excess amounts out of its own assets. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Fund, including fees paid or payable, will also be included in the annual and semi-annual financial statements. The securities lending arrangements and associated costs will be reviewed at least annually.

**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 8 ("Taxation") of the Prospectus in full.

## APPENDIX A: EXCLUSIONARY POLICY

This Exclusionary policy applies to the following Funds:

Coutts Actively Managed US Equity Fund; and
Coutts Actively Managed Global Investment Grade Credit Fund
(for the purposes of the remainder of this Appendix A, together the "Funds").

In respect of each of the Funds, the Investment Manager and any sub-investment manager appointed in respect of such Fund (where applicable), will, in addition to the investment criteria set out in the Fund's investment policy as set out in this Supplement, apply certain exclusionary screens based on certain environmental, social and governance ("ESG") characteristics. Among those screens is the exclusion of corporate issuers where the revenues generated by those issuers from certain activities meet or exceed certain revenue thresholds - for example, corporate issuers deriving 10% or more revenue from tobacco-related business activities.[2] The Investment Manager and such sub-investment managers will seek to exclude direct investment in corporate issuers which, in the opinion of the Investment Manager (or, in limited circumstances, such sub-investment managers), have exposure to, or ties with, certain activities including but not limited to:

1. issuers with any tie to certain types of controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons;
2. issuers engaged, above certain revenue thresholds, in the mining of thermal coal or the generation of power from thermal coal;
3. issuers engaged, above certain revenue thresholds, in the mining of metallurgical coal;
4. issuers engaged, above certain revenue thresholds, in the production, distribution or retail of tobacco products, as a licensor of brand names for tobacco products or as a supplier for tobacco products, including nicotine-containing products, including traditional and alternative tobacco smoking products;
5. issuers engaged, above certain revenue thresholds, in the production of Arctic oil or Arctic gas;
6. issuers engaged, above certain revenue thresholds, in gambling operations;
7. issuers engaged, above certain revenue thresholds, in the production, distribution or retail of adult entertainment products or services;
8. issuers engaged, above certain revenue thresholds, in activities relating to unconventional oil and gas (such as shale gas); or
9. issuers which are deemed not to be in compliance with the United Nations Global Compact Principles, the United Nations Guiding Principles for Business and Human Rights or the International Labour Organisation's Fundamental Conventions and Declaration on Fundamental Principles and Rights at Work.

A full list of the limits and/or exclusions being applied by the Investment Manager at any time in respect of the Funds (including any specific threshold criteria) is available at https://www.blackrock.com/uk/individual/literature/prospectus/blackrock-solutions-funds-icav-esg-policy-emea-gb-en.pdf. Securities of issuers not excluded as a result of these restrictions will be eligible for investment by the Funds (subject to their investment policies as set out in this Supplement).

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. The full list may be amended from time to time at the Manager's discretion and (unless it alters the description in this Exclusionary Policy section or otherwise impacts the description of the relevant Fund's investment objective and policy as set out in this Supplement) may be implemented without notification to Shareholders.

To undertake its analysis of exclusionary criteria, the Investment Manager and any sub-investment managers may use data generated internally by the Investment Manager and/or its affiliates or provided by one or more third party ESG research providers.

Should existing holdings, compliant at the time of investment, subsequently become ineligible, they will be divested within a reasonable period of time.

[2] This is an example only. See above where a full list of limits/and or exclusions being applied by the Investment Manager at any time in respect of the Funds may be viewed.

The Funds may gain limited indirect exposure (through, including but not limited to, FDI) to issuers with exposures that are inconsistent with the exclusionary criteria described above.

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

**Total Return Swaps**

Any assets of the Funds specified in the table below may be subject to total return swaps. The assets of each Fund will not, as at the date of this Supplement, be subject to contracts for difference.

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.

| **Fund** | **TRS:**<br>**Maximum proportion of Net Asset Value** | **TRS:**<br>**Expected proportion of Net Asset Value** |
|---|---|---|
| Coutts UK Equity Index Fund | 20% | 0% |
| Coutts US Equity Index Fund | 20% | 0% |
| Coutts Europe ex UK Equity Index Fund | 20% | 0% |
| Coutts North America Equity Index Fund | 20% | 0% |
| Coutts Emerging Markets Equity Index Fund | 20% | 0% |
| Coutts Global Credit Bond Index Fund | 20% | 0% |
| Coutts Actively Managed US Equity Fund | 10% | 0% |
| Coutts Actively Managed Global Investment Grade Credit Fund | 20% | 0% |
| Coutts US and Canada Enhanced Index Government Bond Fund | 10% | 0% |
| Coutts Europe Enhanced Index Government Bond Fund | 10% | 0% |
| Coutts Japan Enhanced Index Government Bond 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.

| **Fund** | **Repurchase and reverse repurchase agreements:**<br>**Maximum proportion of Net Asset Value** | **Repurchase and reverse repurchase agreements:**<br>**Expected proportion of Net Asset Value** |
|---|---|---|
| Coutts UK Equity Index Fund | 0% | 0% |
| Coutts US Equity Index Fund | 0% | 0% |

| | | |
|---|---|---|
| Coutts Europe ex UK Equity Index Fund | 0% | 0% |
| Coutts North America Equity Index Fund | 0% | 0% |
| Coutts Emerging Markets Equity Index Fund | 0% | 0% |
| Coutts Global Credit Bond Index Fund | 0% | 0% |
| Coutts Actively Managed US Equity Fund | 10% | 0% |
| Coutts Actively Managed Global Investment Grade Credit Fund | 20% | 5% |
| Coutts US and Canada Enhanced Index Government Bond Fund | 5% | 0% |
| Coutts Europe Enhanced Index Government Bond Fund | 5% | 0% |
| Coutts Japan Enhanced Index Government Bond Fund | 5% | 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 A of the Prospectus and sub-section E of Appendix A 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.

| **Fund** | **Securities lending:**<br>**Maximum proportion of Net Asset Value** | **Securities lending:**<br>**Expected proportion of Net Asset Value** |
|---|---|---|
| Coutts UK Equity Index Fund | 100% | 0-87% |
| Coutts US Equity Index Fund | 100% | 0-87% |
| Coutts Europe ex UK Equity Index Fund | 100% | 0-19% |
| Coutts North America Equity Index Fund | 100% | 0-19% |
| Coutts Emerging Markets Equity Index Fund | 100% | 0-99% |
| Coutts Global Credit Bond Index Fund | 100% | 0-31% |
| Coutts Actively Managed US Equity Fund | 0% | 0% |
| Coutts Actively Managed Global Investment Grade Credit Fund | 0% | 0% |
| Coutts US and Canada Enhanced Index Government Bond Fund | 100% | 0-99% |
| Coutts Europe Enhanced Index Government Bond Fund | 100% | 0-99% |

| | | |
|---|---|---|
| Coutts Japan Enhanced Index Government Bond Fund | 100% | 0% |

## APPENDIX C: AVAILABLE SHARE CLASSES

### Coutts UK Equity Index Fund

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC USD Acc
Class NC USD Dist
Class NC USD Hedged Acc
Class NC USD Hedged Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C USD Acc
Class C USD Dist
Class C USD Hedged Acc
Class C USD Hedged Dist

### Coutts US Equity Index Fund

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC GBP Hedged Acc
Class NC GBP Hedged Dist
Class NC USD Acc
Class NC USD Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C GBP Hedged Acc
Class C GBP Hedged Dist
Class C USD Acc
Class C USD Dist

### Coutts Europe ex UK Equity Index Fund

Class NC EUR Acc
Class NC EUR Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC GBP Hedged Acc
Class NC GBP Hedged Dist
Class NC USD Acc
Class NC USD Dist
Class NC USD Hedged Acc
Class NC USD Hedged Dist



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NM0726U-5728483-67/72

Class C EUR Acc
Class C EUR Dist
Class C GBP Acc
Class C GBP Dist
Class C GBP Hedged Acc
Class C GBP Hedged Dist
Class C USD Acc
Class C USD Dist
Class C USD Hedged Acc
Class C USD Hedged Dist

**Coutts North America Equity Index Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC GBP Hedged Acc
Class NC GBP Hedged Dist
Class NC USD Acc
Class NC USD Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C GBP Hedged Acc
Class C GBP Hedged Dist
Class C USD Acc
Class C USD Dist

**Coutts Emerging Markets Equity Index Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC GBP Hedged Acc
Class NC GBP Hedged Dist
Class NC USD Acc
Class NC USD Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C GBP Hedged Acc
Class C GBP Hedged Dist
Class C USD Acc
Class C USD Dist

**Coutts Global Credit Bond Index Fund**

Class NC EUR Acc

Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC USD Acc
Class NC USD Dist
Class NC USD Hedged Acc
Class NC USD Hedged Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C USD Acc
Class C USD Dist
Class C USD Hedged Acc
Class C USD Hedged Dist

**Coutts Actively Managed US Equity Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC GBP Hedged Acc
Class NC GBP Hedged Dist
Class NC USD Acc
Class NC USD Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C GBP Hedged Acc
Class C GBP Hedged Dist
Class C USD Acc
Class C USD Dist

**Coutts Actively Managed Global Investment Grade Credit Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC GBP Hedged Acc
Class NC GBP Hedged Dist
Class NC USD Acc
Class NC USD Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc

Class C GBP Dist
Class C GBP Hedged Acc
Class C GBP Hedged Dist
Class C USD Acc
Class C USD Dist

**Coutts US and Canada Enhanced Index Government Bond Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC USD Acc
Class NC USD Dist
Class NC USD Hedged Acc
Class NC USD Hedged Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C USD Acc
Class C USD Dist
Class C USD Hedged Acc
Class C USD Hedged Dist

**Coutts Europe Enhanced Index Government Bond Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC USD Acc
Class NC USD Dist
Class NC USD Hedged Acc
Class NC USD Hedged Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C USD Acc
Class C USD Dist
Class C USD Hedged Acc
Class C USD Hedged Dist



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NM0726U-5728483-70/72

**Coutts Japan Enhanced Index Government Bond Fund**

Class NC EUR Acc
Class NC EUR Dist
Class NC EUR Hedged Acc
Class NC EUR Hedged Dist
Class NC GBP Acc
Class NC GBP Dist
Class NC USD Acc
Class NC USD Dist
Class NC USD Hedged Acc
Class NC USD Hedged Dist
Class C EUR Acc
Class C EUR Dist
Class C EUR Hedged Acc
Class C EUR Hedged Dist
Class C GBP Acc
Class C GBP Dist
Class C USD Acc
Class C USD Dist
Class C USD Hedged Acc
Class C USD Hedged Dist

## APPENDIX D: BENCHMARK DISCLAIMERS

### Bloomberg Indices

Bloomberg is not the issuer or producer of Coutts Actively Managed Global Investment Grade Credit Fund, Coutts US and Canada Enhanced Index Government Bond Fund, Coutts Europe Enhanced Index Government Bond Fund or Coutts Japan Enhanced Index Government Bond Fund (together, the "Relevant Funds") and Bloomberg does not have any responsibilities, obligations or duties to investors in respect of the relevant Funds. The Bloomberg Indices are licensed for use by BlackRock as the issuer of the Relevant Funds (the "Issuer"). The only relationship of Bloomberg with the Issuer in respect of the Bloomberg Indices is the licensing of the Bloomberg Indices which is determined, composed and calculated by BISL, or any successor thereto, without regard to the Issuer or the Relevant Funds or the owners of the Relevant Funds.