

## **FINEX RUSSIAN RTS EQUITY UCITS ETF**

### **Supplement to the Prospectus**

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

**This Supplement forms part of, and must be read in conjunction with, the Prospectus of the ICAV 13 July 2020, and may not be distributed unless accompanied by the Prospectus (other than to prior recipients of the Prospectus).**

**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS IN THE FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR. AN INVESTMENT IN THE FUND SHOULD NOT CONSTITUTE A SUBSTANTIAL PROPORTION OF AN INVESTMENT PORTFOLIO AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS.**

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

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

Certain risks attached to investments in FDIs are set out in the Prospectus under the section headed "Risk Factor".

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

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

**FinEx Funds ICAV**

**Dated 13 July 2020**

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## **IMPORTANT INFORMATION**

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### **Suitability of Investment**

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

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

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

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

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

### **Responsibility**

The Directors (whose names appear under the heading "**Directors of the ICAV**" of the Prospectus) accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the import of such information.

### **General**

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

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

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

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

should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## Definitions

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

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

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### Investment Objective

The investment objective of the Fund is to track the equity market performance of the Reference Index (as defined below) less fees and expenses. Further information on the Reference Index is set out below under the heading "General Description of the Reference Index").

### Investment Policy

The investment policy of the Fund is to seek to track the performance of the RTS Index (or any other index determined by the Directors from time to time to track substantially the same market as the RTS Index and which is considered by the Directors to be an appropriate index for the Fund to track, in accordance with the Prospectus (the "**Reference Index**")) as closely as possible, while seeking to minimise as far as possible the difference in performance between the Fund and the Reference Index. Any determination by the Directors that the Fund should track another index at any time shall be subject to the prior approval of Shareholders, the index complying with the index eligibility requirements under the Regulations and will be implemented in accordance with the Central Bank Rules and this Supplement shall be updated accordingly. The Fund will use replication techniques as described below in order to minimise as far as possible the difference in performance between the returns of the Reference Index and the return of the Fund, after fees and expenses. For information in relation to the difficulties associated with tracking indices, please refer to the "Risk Factors" section below.

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

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

The Fund may invest up to 100% of its Net Asset Value in securities traded on Russian markets. All such instruments shall be listed and/or traded on the Moscow Exchange.

The Fund may hold a small amount of cash and ancillary liquid assets subject to the limits set out in the Prospectus.

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

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

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

The Fund will invest on a long-only basis.

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

### **Index Tracking Strategy**

In normal market conditions the Fund can be expected to match the performance of the Reference Index (less the Management Fee and associated costs) which include securities lending arrangements and/or Repurchase Transactions (as detailed below) and any annualised tracking error to the Reference Index is not expected to exceed 2.2% in normal market conditions.

As stated below the ICAV intends to enter into certain currency related transactions in order to hedge the currency exposure of certain Share Classes. Such currency hedging may lead to increased volatility where employed, accordingly the relevant Share Classes may have a greater tracking error as against the Reference Index than those Share Classes which do not employ currency hedging, noting that the Reference Index is not hedged. As a result any annualised tracking error to the Reference Index is not expected to exceed 2.5% for the USD Hedged Shares.

### **Portfolio Transparency Policy**

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

### **Securities Financing Transactions**

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

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

The maximum proportion of assets of the Fund which may be subject to such Securities Financing

Transactions and Total Return Swaps at any given time is 100% of Net Asset Value. However it is expected that the actual proportion of assets of the Fund which will be subject to Securities Financing Transactions and Total Return Swaps is 0% of Net Asset Value.

In any case the most recent semi-annual and annual reports will express as an absolute amount and as a percentage of the Fund's assets the amount of Fund assets subject to Securities Financing Transactions and Total Return Swaps.

### **Use of FDIs**

As detailed below, the ICAV intends to enter into certain currency related transactions in order to hedge the currency exposure of certain Share Classes. The Investment Manager intends that the Fund may invest in the following FDIs for these purposes:

#### *Currency Forward*

A currency forward is an agreement between two counterparties in which they agree to delivery one currency in exchange for another currency at a pre-agreed exchange rate (i.e. the forward rate). Currency forwards are used to realign the performance of a "currency hedged" Share Class to the performance of the Fund's base Share Class.

#### *Swaps*

Swaps are agreements between two parties to exchange future payments in one underlying asset for payments in another. Swaps must include an exchange of principal at maturity or at the inception of the contract. The Fund may utilise currency swaps for the purposes of currency hedging. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency.

### **Risk Management Process**

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

**The ICAV will use the commitment approach for the purposes of calculating global exposure for the Fund. The Fund aims to have 100% exposure to the Reference Index and will not have any additional incremental exposure or leveraged exposure to the Reference Index (i.e. the global exposure of the Fund will be 0% and the total exposure (i.e. NAV plus global exposure) will be 100%).**

### **Efficient Portfolio Management**

The ICAV may also (for the purposes of efficient portfolio or cash management and not for investment purposes), invest in exchange traded futures, cash deposits, money market instruments and units of UCITS regulated money market collective investment schemes and enter into securities lending arrangements and/or Repurchase Transactions.

A futures contract is a standardized contract to exchange a specified asset of standardized quantity and quality for a price agreed today (the futures price or the strike price) with delivery occurring at a specified future date, the delivery date. The contracts are traded on a futures exchange.

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

### **Investment Restrictions**

In accordance with the requirements of the Central Bank, the ICAV will apply for a derogation from some of the investment restrictions for six months following the date of approval of the Fund pursuant to the Regulations but will observe the principle of risk-spreading.

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

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

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

### **Disruption Events**

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

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

### **Consequences of Disruption Events**

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

### **Leverage**

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

### **Borrowings**

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

### **Dividend Policy**

The Fund does not intend to pay dividends.

### **Limited Recourse**

A Shareholder will solely be entitled to look to the Fund Assets in respect of all payments in respect of its Shares. If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the ICAV.

### **Listing**

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

## Exchange Traded Fund

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

Application has been made to list the USD Share Class issued and available to be issued to be admitted to listing on the official list and trading on the main securities market of the Irish Stock Exchange on or about the Launch Date. Subsequent to the Irish Stock Exchange listing an application will be made to list the Fund on the Moscow Exchange.

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

## General Information Relating to the Fund

<b>Type</b>	Open-ended
<b>Base Currency</b>	USD
<b>Business Day</b>	A day on which (i) commercial banks are generally open for business in London or such other day or days that the Directors may determine and notify to Shareholders in advance.
<b>*Dealing Day</b>	Any Business Day.
<b>Dealing Deadline</b>	1:00 p.m. (Dublin time) on relevant Dealing Day.
<b>Launch Date</b>	Means 24 February 2016.
<b>Minimum Fund Size</b>	USD 1,000,000 or its equivalence in the Base Currency or such other amount as the Directors in their discretion may determine.
<b>Valuation Point</b>	Close of business in the relevant market on the relevant Dealing Day, being 10.00pm (GMT).
<b>Settlement Date</b>	Cash Subscriptions: Up to 2 (two) Business Day after the relevant Dealing Day, or such later date as may be determined by the Directors.** Cash Redemptions: Up to 3 (three) Business Days after the relevant Dealing Day, or such later date as may be determined by the Directors, and in any event shall not exceed 10 (ten) Business Days from the relevant Dealing Deadline. In-kind Subscriptions***: Up to 3 (three) Business Days after the relevant Dealing Day, or such later date as may be determined by the Directors. In-kind Redemptions: Up to 3 (three) Business Days after the relevant Dealing Day, or such later date as may be determined by the Directors and in any event shall not exceed 10 (ten) Business Days from the relevant Dealing Deadline.
<b>Minimum Subscription Amount/Basket</b>	50,000 Shares / 2 Baskets**** or its equivalent in the currency of the relevant Share Class or such amount as may be determined by the Directors. Shareholders will be notified of any change to the Minimum Subscription Amount /basket.
<b>Minimum Redemption Amount/Basket</b>	50,000 Shares / 2 Baskets**** or its equivalent in the currency of the relevant Share Class or such amount as may be determined by the Directors. Shareholders will be notified of any change to the Minimum Redemption Amount /basket.
<b>Website</b>	<a href="http://www.finexetf.com">www.finexetf.com</a> - details of indicative net asset value are available on Bloomberg and Reuters.

\* In general each Business Day will be a Dealing Day. However, some Business Days will not be Dealing Days where, for example, markets on which the Fund's Investments are listed or traded or markets relevant to the Reference Index are closed. The Investment Manager produces dealing calendars which detail in advance the Dealing Days for the Fund. The dealing calendar may be amended from time to time by the Investment Manager with the prior approval of the Directors and the Depositary, for example, the relevant

market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for the Fund is available from the Investment Manager and from the Website and any such changes to the dealing calendar of the Fund shall be notified in advance to Shareholders.

**\*\* Pre-Funding Requirement** - Settlement in the Russian market requires pre-funding of the USD cash account with the NSD (National Settlement Depository) on the day prior to settlement date of securities traded on the Moscow Exchange. Investors should note that in light of this pre-funding requirement in the Russian market, the Investment Manager will typically move subscription monies received to the Russian market on the day before portfolio trades are due to settle. Depending on the size of the in-flow to the Fund, this may result in high (relative to the NAV) USD cash concentrations with the NSD until the related trades settle. Such cash concentrations should be short-term, typically clearing on a next day basis. The Investment Manager intends to trade promptly on receipt of confirmed in-flows so as to minimise the Fund's tracking error and in an attempt to achieve its objective of closely replicating the Reference Index. This means that 'pre-funding requirement' driven cash concentrations will be unavoidable when subscriptions occur. **In order to manage such cash concentrations and adhere to the Investment Restrictions, net Subscriptions/ Redemptions shall be limited to 20% of the Funds NAV on any given Dealing Day.**

**\*\*\* Shares in the Fund will only be issued after the securities and Cash Component, if any, relating to the Portfolio Composition File (hereinafter the "in-Kind Basket") have settled with the Depository.** Where the in-Kind Basket has settled with the Depository prior to 3.00 p.m. (Irish time) on the settlement date as agreed between the investor and the Fund, then the Shares will be issued on that settlement date (i.e. if the settlement date is 2 (two) Business Days after the relevant Dealing Day and the in-kind Basket settles with the Depository prior to 3pm (Irish time), then the Shares will be issued on that Business Day, namely 2 (two) Business Days after the relevant Dealing Day). If the in-Kind Basket settles with the Depository after such time, then the Shares will only be issued on the following Business Day.

**\*\*\*\* A Basket is equal to 25,000 Shares.**

## Description of the Shares

### Share Classes

Share Class	USD Shares	USD Hedged Shares*
Initial Issue Price	USD20	USD20

**\*The ICAV intends to enter into certain currency related transactions in order to hedge the currency exposure of these Share Classes as described under the heading "Hedged Classes" in the Prospectus.**

### Fees and Expenses

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

Share Class	USD Shares	USD Hedged Shares
Subscription Charge*	Up to 4.5%	Up to 4.5%
Redemption Charge**	Up to 3%	Up to 3%
Exchange Charge***	None	None
Basket Customisation Fee****	The aggregate of these charges will not exceed 2.00% of each such in-Kind	The aggregate of these charges will not exceed 2.00% of each such in-Kind

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

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

\*\*\* The Exchange Charge is added to the investment amount received from investors for subscription of shares, and deducted from the redemption proceeds payable to the investor. The Exchange Charge represents all charges related to the trading and settlement of securities and cash, including stamp duty and other duties.

\*\*\*\*The ICAV reserves the right to permit or require the substitution of an amount of cash —referred to as "cash-in-lieu"—to be added to the Cash Component to replace:

- (i) in the case of an In-kind Subscription, any Portfolio Composition File security that may not be available in sufficient quantity for delivery, may not be eligible for transfer, may not be eligible for trading by an Authorised Participant, or in the event that in-kind trading is not permissible in particular countries or markets;
- (ii) in the case of an In-kind Redemption, any Portfolio Composition File security which may not be eligible for transfer, may not be eligible for trading by an Authorised Participant or in the event that in-kind trading is not permissible in particular countries or markets.

Trading costs incurred by the Fund in connection with the purchase of Portfolio Composition File securities related to In-Kind Subscriptions with cash-in-lieu amounts will be borne by the relevant Shareholder, through the application of a Basket Customisation Fee (representing the estimated cost of acquisition of the relevant security to the Fund by the cash-in-lieu amount) to protect existing Shareholders from this expense.

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

Share Class	USD Shares	USD Hedged Shares
TER	Up to 0.90% per annum	Up to 0.90% per annum

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

The TER is accrued daily and paid quarterly in arrears. The maximum TER which is a percentage of the Net Asset Value of the Fund (plus VAT, if any) represents the maximum expenses payable in respect of the Fund. Depending of the Net Asset Value of the Fund, the TER might be well below the indicated maximum TER. The TER shall include the Management Fee, the Depositary Fee, any Administrative Expenses and all other expenses as set out under Section 10 of the Prospectus which are payable by the Fund.

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

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## GENERAL DESCRIPTION OF THE REFERENCE INDEX

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The Moscow Exchange Indices comprise the MICEX Index and the Reference Index. The Reference Index is further described below but only represents an extract of information available and neither the Directors, the Moscow Exchange or such other successor sponsor to the Reference Index (the "**Index Provider**") nor the Investment Manager take any responsibility for the accuracy or completeness of such information.

The MICEX Index and the Reference Index are capitalization-weighted composite indices calculated based on prices of the most liquid Russian stocks of the largest and dynamically developing Russian issuers with economic activities related to the main sectors of the Russian economy admitted to trading on the Moscow Exchange. The Reference Index reflects the prices of trades in securities in US Dollars. The RTS Index was started on September 01, 1995. The Index is calculated in real time and denominated in US dollars. The Index is rebalanced on a quarterly basis in March, June, September and December.

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

### *Index Provider and website*

The Reference Index is sponsored by the Moscow Exchange.

The methodology of the construction of the Reference Index is available on the Moscow Exchange internet website:

<http://fs.moex.com/files/3345>

Additional information about the Reference Index can be found under:

<http://moex.com/en/index/RTSI> The closing price of the Index is available on the Moscow Exchange internet website:

<http://www.moex.com/en/index/totalreturn.aspx> or, <http://www.moex.com/en/index/get-totalreturn.aspx?code=RTSTRN>

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## OTHER INFORMATION

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### **Risk Factors**

Certain risks relating to the Shares are set out under the heading "**Risk Factors**" in the Prospectus. In addition, Shareholders must also note that:

- (a) The sub-funds of the ICAV are segregated as a matter of Irish law and as such, in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the ICAV is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (b) Upon the occurrence of a Disruption Event or an Index Disruption and Adjustment Event (and without limitation to the Directors' personal powers as further described in the Prospectus); (i) adjustments may be made to account for any such event (including adjustment to the Reference Index, the calculation of the Reference Index level and/or changes to the terms of the Derivative Contracts) which may have a significant impact on the Net Asset Value of the Fund; (ii) the

Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares and payment of redemption proceeds in accordance with the provisions of the Prospectus under the section "Suspension of Calculation of Net Asset Value"; and/or (iii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

- (c) The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is linked to the performance of the components of the Reference Index which, in turn, is exposed to general market movements (negative as well as positive).
- (d) The Fund's use of the Reference Index is licensed by the Index Provider. If at any time, the licence is terminated or the Reference Index otherwise becomes unavailable, unreliable, inaccurate or unrepresentative, the Fund Directors may exercise their discretion to terminate the Fund in accordance with the terms of the Memorandum and Articles of Association.
- (e) The ability of the Fund to achieve significant correlation between the performance of the Fund and the Reference Index may be affected by changes in securities markets, changes in the composition of the Reference Index, cash flows into and out of the Fund and the fees and expenses of the Fund. The Fund will seek to track the Reference Index returns regardless of the current or projected performance of the Reference Index or of securities comprising the Reference Index. As a result, the Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Reference Index will affect the performance, volatility and risk of the Reference Index (in absolute terms and by comparison with other indices), and consequently, the performance, volatility and risk of the Fund.
- (f) There is no guarantee that the investment objective of the Fund will be achieved. In particular, no financial instrument enables the returns of the Reference Index to be reproduced or tracked exactly. Changes in the investments of the Fund and re-weightings of the relevant Reference Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact the Fund's tracking of the performance of the Reference Index. Furthermore, the total return on investment in the Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the Reference Index. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Reference Index, or of market disruptions, rebalancing the Fund's investment portfolio may not be possible and may result in deviations from the return of the Reference Index.
- (g) Some of the markets in which the Fund may effect FDI transactions are "over-the-counter" or "interdealer" markets, which may be illiquid and are sometimes subject to larger spreads than exchange-traded FDI transactions. The participants in such markets are typically not subject to credit evaluation and regulatory oversight, which would be the case with members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause the Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise.

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

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