

## SUB-FUND INFORMATION CARD

**This Sub-Fund Information Card dated 1<sup>st</sup> October, 2021 forms part of and should be read in conjunction with the Prospectus dated 1<sup>st</sup> October, 2021 for the Fund and which is available from the Administrator at 54-62 Townsend Street, Dublin 2, Ireland.**

This Sub-Fund Information Card contains specific information in relation to the following sub-funds of KBI Global Investment Fund (the "Fund") an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990 and any other regulations made thereunder.

KBI Managed Fund  
KBI Ethical Managed Fund  
KBI Cash Fund\*  
KBI Passive Managed Fund\*  
KBI Integris Eurozone Equity Fund  
KBI Index Eurozone/Global Equity Fund\*  
KBI Passive US Equity Fund\*  
KBI Innovator Fund

\*These Sub-Funds are in the course of termination, accordingly, Units are no longer available in these Sub-Funds. Application will be made to the Central Bank in due course for revocation of approval of these Sub-Funds.

### **1. Investment Objectives, Policies and Restrictions**

#### ***KBI Managed Fund***

##### *Investment Objectives/Policies*

The investment objective of the KBI Managed Fund is to achieve long term capital growth.

The Sub-Fund seeks to achieve its objective by investing through underlying collective investment schemes (as further set out below under "Collective Investment Schemes") in a range of global equity and equity-related securities (such as convertible bonds, convertible preference shares and warrants), fixed income securities (such as bonds and notes), alternative investments and cash.

The investment exposure of the Sub-Fund shall be biased towards equities, with a diversified global portfolio of equity and equity-related securities of companies listed or traded on Recognised Exchanges worldwide.

The fixed income securities will be listed or traded on Recognised Exchanges worldwide and may be fixed and/or floating rate, issued by governments and/or corporate and/or supranational organisations. These securities will primarily be rated as investment grade by one or more of the leading credit rating agencies, provided that up to 10% of the net asset value of the Sub-Fund may be held in non-investment grade securities.

Alternative investments will comprise investments in passive or active open-ended collective investment schemes (including exchange traded funds) that have exposure to property, currencies, commodities and hedge funds.

Cash exposure will be in the form of liquid assets such as money market and short term instruments, including but not limited to, certificates of deposit, commercial paper and cash deposits, which may be held for investment or liquidity management purposes.

#### *Collective Investment Schemes*

The Sub-Fund intends to achieve its objective by investing substantially all of its assets in units of other collective investment schemes (including exchange traded funds), the investment objective and policies of which are similar to those set out above. The Sub-Fund may, however, also invest from time to time directly in the asset classes referred to above if the Investment Manager considers it appropriate, as further described below under "Investment Process". No direct investment will be made in property or commodities.

The collective investment schemes in which the Sub-Fund will invest may be leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes and may be domiciled worldwide. Such schemes may include other Sub-Funds of the Fund and other collective investment schemes which are managed by the Investment Manager. The periodic reports of the Sub-Fund will disclose the nature of such schemes. The Sub-Fund may invest up to 50% of its net assets in the KBI Developed Equity Fund, which is a sub-fund of the KBI Funds ICAV, which is an Irish UCITS managed by the Investment Manager.

The Sub-Fund will not suffer any additional management or custody fees by virtue of its investment in other collective investment schemes that are managed by the Investment Manager. The periodic reports will disclose the nature of such collective investment scheme holdings.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any). The fees charged directly to the Sub-Fund are detailed in the Classes Information Card.

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund***

#### *Investment Process*

The allocations to each asset class (equity, fixed income, alternative investments or cash) will be decided by the Investment Manager taking into account (i) the likely investment returns for each asset class; (ii) the expected risk associated with those returns, usually measured by the volatility of historical returns associated with the asset class; (iii) the overall investment objective of the Sub-Fund; and (iv) the profile of the Sub-Fund's investors. The Investment Manager's expectations for asset class investment returns and risk will vary depending on market conditions and the Investment Manager's assessment of factors including, but not limited to, the level and direction of short-term and long-term interest rates, economic growth, inflation, and market valuation indicators. Given the investment objective of the Sub-Fund to achieve long term capital growth, and the associated long term investment time horizon of the investors, a medium level of risk is acceptable and is achieved by balancing the allocations across the various asset classes.

All investment decisions (to include the decision to invest directly or indirectly through collective investment schemes) are made following an assessment by the Investment Manager of the proposed holding against the Investment Manager's investment selection criteria, as outlined below:

- Investment objective: the compatibility of the proposed investment with the investment objective of the Sub-Fund;
- Past and expected future performance: this assessment will be based on historic returns, if available, and the judgement of the Investment Manager in relation to future returns, taking into account factors such as management expertise and stability and the expected returns from the relevant asset class;
- Historic and/or expected risk: this assessment will usually be estimated by an examination of the volatility of its historic returns;
- Costs: an assessment of the total costs of the initial and ongoing investment;
- Liquidity: a strong preference for daily liquidity, in other words, the opportunity to invest or divest not less frequently than daily, however, less frequent than daily liquidity will be permitted taking into account the liquidity requirements of the Sub-Fund;
- Diversification and concentration risk: in the case of a collective investment scheme, an assessment will be made of the number of underlying holdings within the proposed collective investment scheme, and whether it has a sufficiently diversified exposure to its underlying asset class.

*Measurement of Performance*

The Sub-Fund's performance is measured against a custom benchmark return calculated by the Investment Manager by taking the aggregate weighted returns for each asset class of equities, bonds, alternatives and cash. The weightings and measurement criteria used to calculate the various asset class returns are detailed below:

<b><u>Asset Class</u></b>	<b><u>Benchmark Weights</u></b>	<b><u>Measurement Criteria</u></b>
Equities	72.5%*	MSCI World Index ex Europe MSCI Europe Index MSCI Emerging Markets Index
Bonds	15%	JP Morgan Investment Grade > 5 Year EMU Govt Bond Index
Alternatives	10%	Euribor + 3%
Cash	2.5%	3 month Euribor

\*The breakdown of the benchmark weights among each of the three above-named equity indices will be available in the periodic reports of the Sub-Fund.

The benchmark weights set out above are correct as at the date of this Sub-Fund Information Card. Any change to these weights, which may occur on an infrequent basis, will be outlined in the periodic reports of the Sub-Fund. In addition, the Investment Manager may change an index used in the measurement criteria to such other index representing a similar or generally consistent exposure where, for reasons outside the Investment Manager's control, the original index is no longer the benchmark index for that exposure. Any such change in an index shall also be disclosed in the periodic reports of the Sub-Fund.

The benchmark weights set out above will not necessarily mirror the weightings of each asset

class within the Sub-Fund's portfolio. Rather, the benchmark weights within the custom benchmark are used to calculate the benchmark performance, against which the overall performance of the Sub-Fund is measured. The Sub-Fund will be managed to out-perform the custom benchmark over rolling five year periods.

#### *Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

#### ***KBI Ethical Managed Fund***

#### *Investment Objectives/Policies*

The investment objective of the Sub-Fund is to achieve long term capital growth and has been established for the purpose of marketing to charities.

The Sub-Fund seeks to achieve its objective through investment directly and/or indirectly (in units of other collective investment schemes) in a broad range of bonds and Irish and international equities listed or traded on Recognised Exchanges worldwide. The asset mix of the Sub-Fund will reflect the Investment Manager's investment outlook at any time, subject to a maximum equity weighting of 80% of the overall portfolio. In addition all actively managed fixed interest and listed equity holdings, including actively managed collective investment schemes consisting of either fixed interest instruments or listed equities, in which the Sub-Fund invests, are passed through the Investment Manager's ethical screening process before being added to the Sub-Fund. If a particular holding does not meet the relevant ethical criteria laid down by the Investment Manager, then the Sub-Fund will not invest in such holding.

The bonds will have a rating of at least BBB from Standard & Poors or equivalent rating. The Sub-Fund aims for medium to long term capital growth. The Sub-Fund intends to achieve its investment objective by investing substantially all of its assets in other Sub-Funds of the Fund.

The Sub-Fund may invest up to 100% of its assets in the KBI Integris Eurozone Equity Fund, details of which are set out on page 9 of this Sub-Fund Information Card. The Sub-Fund may also invest up to 100% of its assets in the KBI Integris Global Equity Fund, a sub-fund of the KBI Funds ICAV, which is structured as a UCITS. The investment objective of the KBI Integris Global Equity Fund is to outperform the MSCI World Index and to achieve long-term growth by investing in a portfolio of equity and equity-related securities of companies located in developed markets. In pursuit of its investment objective, the KBI Integris Global Equity Fund invests primarily, either directly or indirectly (through investment in underlying collective investment schemes), in equity and equity-related securities (including, but not limited to, warrants, convertibles, rights which are issued by a company to allow holders to subscribe for additional securities issued by that company, ADRs and GDRs) listed or traded on Recognised Exchanges in developed markets worldwide.

The periodic reports of the KBI Integris Eurozone Equity Fund and the KBI Funds ICAV will be attached to the periodic reports of the Sub-Fund.

The Sub-Fund may also invest in units of other Sub-Funds of the Fund and other open-ended collective investment schemes, the investment objectives and policies of which are consistent with those set out above. It is envisaged that the underlying schemes will primarily be other

Sub-Funds of the Fund but the Sub-Fund may invest in other leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes worldwide (including but not limited to Europe) from time to time. The periodic reports will disclose the nature of such schemes.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

### *Sustainable Finance*

The Sub-Fund promotes environmental and social characteristics by primarily investing, both directly and indirectly through collective investment schemes, in companies which generate a substantial proportion of their turnover from, and operate on a sustainable basis in, the environmental sector by providing solutions to environmental challenges ("**Environmental Companies**").

In the case of investments in passively managed collective investment schemes, the Investment Manager may invest in such schemes even if the investment manager of the underlying scheme does not promote environmental and social characteristics.

In identifying investments which allow the Sub-Fund to promote environmental and social characteristics, the Investment Manager adopts the following strategies:

#### Collective Investment Schemes

- When investing in other active collective investment schemes, the Investment Manager will only invest in schemes where the investment manager of the underlying scheme assesses and integrates the Environmental, Social and Governance ("ESG") performance of the companies in which it invests into its investment decisions.

#### Direct Investments

- When making direct investments, the Sub-Fund will not invest in any companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds. Full details of the exclusions and thresholds are available in the Responsible Investing Policy of the Investment Manager which can be viewed on its website at [www.kbiglobalinvestors.com](http://www.kbiglobalinvestors.com).
- When making direct investments in Environmental Companies, the Investment Manager carries out its own assessment of the environmental and social performance of the companies, based on its own research and knowledge of the companies, public information and information (including specialised ESG information) and ratings from external data providers ("Data Providers").
- When making direct investments in companies which are not Environmental Companies, the Investment Manager excludes companies which have a high level of sustainability risk based on ratings provided by an external Data Provider.

The Investment Manager also assesses the governance practices and governance performance of both the active collective investment schemes and companies in which it invests:

### Collective Investment Schemes

The Investment Manager ensures that the investment manager of the underlying collective investment schemes in which the Sub-Fund invests assess the governance practices and governance performance of companies in which those collective investment schemes invest.

### Direct Investments

In the case of direct investment in companies, this assessment of governance practices and performance is based on the Investment Manager's knowledge of the companies based on its direct interactions with companies, its analysis of the financial statements and related materials of companies, and information including specialised governance information and ratings from at least one Data Provider in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Manager monitors compliance with the social and/or environmental characteristics outlined above as follows:

### Collective Investment Schemes

The Investment Manager employs a thorough due diligence process, both before initial investment as well as on an ongoing basis, to assess the approach of the investment manager of the underlying scheme in integrating ESG factors into its decision-making process.

### Direct Investments

The Investment Manager on a regular basis carries out its own ongoing research and monitoring of portfolio companies and also uses the research and ratings from Data Providers.

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics outlined above, including:

- The percentage of revenues earned on an estimated basis by portfolio companies which are generated from the provision of solutions to environmental challenges.
- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external Data Provider.
- The carbon intensity of the portfolio, measured by an external provider of carbon footprint measurement services.
- The percentage of board members of companies in which the fund invests which are female.

The Sub-Fund has designated the MSCI World Index (the "Index") as a reference benchmark. The Index is not aligned with all of the environmental or social characteristics promoted by the Sub-Fund, as it includes a broad variety of companies and not just those companies which operate on a sustainable basis in the environmental sector by providing solutions to environmental and social challenges.

### *Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

### ***KBI Cash Fund***

#### *Investment Objectives/Policies*

The principal investment objective of the Sub-Fund is to invest in money market instruments (such as commercial paper, floating rate notes and government bonds with maturities of less than one year) where the Investment Manager will try to achieve very competitive interest rates on behalf of all investors. Short-dated bonds will also be held from time to time. The bonds will have a rating of at least A- from Standard and Poor's or A3 from Moody's. The Sub-Fund is low risk with a strong emphasis on security and there is a restriction that no more than 20% of the Sub-Fund may be invested in government debt with a maturity of greater than one year and which are listed or traded on Recognised Exchanges worldwide. The investment objective of the Sub-Fund is to achieve a rate of return in line with wholesale money market rates.

#### *Investment Restrictions*

The Sub-Fund is subject to the following investment restrictions in addition to the general investment restrictions set out in the Prospectus under the heading "The Fund – Investment Restrictions" which apply to all Sub-Funds and which are not disapplied below:

- (i) at least 80 per cent. of the assets of the Sub-Fund must consist of securities or deposits which have a maturity at date of acquisition of not greater than one year; and
- (ii) no more than 5 per cent. of the net asset value of the Sub-Fund may be invested in the debt securities of companies, other than banks, with a credit rating of less than A1/P1.

***Investors should be aware of the difference between the nature of a deposit and the nature of an investment in a money market scheme such as a Sub-Fund and, in particular, of the risk that the principal invested in a money market scheme is capable of fluctuation.***

### ***KBI Passive Managed Fund***

#### *Investment Objectives/Policies*

The investment objective of the Sub-Fund is to achieve long term capital growth by investing primarily in a range of Irish and international equities and bonds, property and cash. The Sub-Fund intends to achieve its investment objective by investing substantially all of its assets in units of other Irish domiciled open-ended Regulated Collective Investment Schemes, the investment objectives and policies of which are consistent with the objective set out above. The performance of the Sub-Fund will be measured against other Irish managed funds.

No investment will be made directly in property. Any property exposure shall be through investment in units of the KBI Qualifying Investor Fund (previously the Kleinwort Benson Investors Exempt Unit Trust). The KBI Qualifying Investor Fund is a regulated qualifying investor alternative investment fund under the AIFM Legislation. It is open-ended with quarterly

dealing and is not leveraged. It is managed by KBI Global Investors Limited and invests in Irish property through investment in the Irish Property Unit Trust which is the largest Irish exempt property unit trust. KBI Qualifying Investor Fund also has an exposure to European Property on a fund of funds basis through the KBI / Lothbury Qualifying Investor Fund plc which is a fund approved by the Central Bank. The Sub-Fund will not suffer any additional management or custody fees by virtue of its investment in the KBI Qualifying Investor Fund.

The collective investment schemes in which the Sub-Fund invests will be collective investment schemes managed by either of the Investment Manager or Blackrock Asset Management Ireland Limited. The Sub-Fund intends to invest up to 50% of its assets in the Blackrock U.S. Index Sub-Fund and/or the Blackrock Europe ex UK Index Sub-Fund, each sub-funds of Blackrock Index Selection Fund ("Blackrock").

Blackrock is an umbrella type open-ended unit trust and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. It is managed by Blackrock, one of the world's largest asset management firms and a provider of global investment management, risk management and advisory services to institutional, intermediary and individual investors around the world. The periodic reports of the Blackrock U.S. Index Sub-Fund and the Blackrock Europe ex UK Index Fund will be attached to the periodic reports of the Sub-Fund.

The Sub-Fund may also invest in exchange traded funds subject to the investment restrictions set out in the Prospectus under the heading "The Fund – Investment Restrictions".

The Sub-Fund will be exposed to a diversified portfolio of shares listed and traded on Recognised Exchanges worldwide. The bonds will have a rating of at least BBB from Standard & Poors or equivalent rating.

The asset distribution will be in line with the consensus of the Irish managed fund survey. The Sub-Fund will be re-balanced quarterly.

The Sub-Fund may invest in leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes. The periodic reports will disclose the nature of such schemes.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

#### *Investment Restrictions*

The Sub-Fund's investment restrictions are set out in the Prospectus under the heading "The Fund – Investment Restrictions".



## ***KBI Integris Eurozone Equity Fund***

### *Investment Objectives/Policies*

The investment objective of the Sub-Fund is to invest in above average yielding assets while achieving long term capital growth and maintaining an adequate spread of risk by investing in equities of companies incorporated in those member states of the European Union who are also members of the European Monetary Union ("Eurozone") and are listed or traded on Recognised Exchanges in Europe. The Sub-Fund has an overriding ethical screen overlaying the portfolio and which is managed by the Investment Manager. If a particular stock does not meet the relevant ethical criteria laid down by the Investment Manager, then the Sub-Fund will not invest in such stock.

The performance of the Sub-Fund will be measured against the MSCI EMU Index (comprising a universe of developed market publicly quoted equity securities quoted and domiciled in the EMU) (or any other index which replaces it or is considered to be the market standard in place of that index and any such change in that index will be notified to Unitholders in the semi-annual or annual accounts). The Sub-Fund will be managed to out-perform that Index.

The Sub-Fund may also invest in units of other open-ended collective investment schemes, the investment objectives and policies of which are the same as those set out above. The Sub-Fund may invest in leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes. The periodic reports will disclose the nature of such schemes.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

### *Sustainable Finance*

The Sub-Fund promotes environmental and social characteristics as the Investment Manager integrates environmental, social and governance ("ESG") factors into its investment process.

In identifying investments which allow the Sub-Fund to promote environmental and social characteristics, the Investment Manager adopts the following strategies:

- The Investment Manager integrates an analysis of companies' ESG performance into its investment analysis and investment decisions. Companies are rated on an AAA-CCC scale relative to the standards and performance of their industry peers, which is then translated into an ESG score. The Investment Manager gets a single ESG score for each stock from MSCI ESG Research (the "Data Provider"), each stock receiving a score of between 0 and 10, with the highest scoring company receiving a 10. The Investment Manager's target is that the Sub-Fund's ESG score is higher than the Index.
- The portfolio construction process employed by the Investment Manager excludes holdings deemed inconsistent with its Responsible Investment Guidelines or that are involved with certain controversial sectors, as determined by the Investment Manager's Responsible Investment Committee, and also excludes investments in companies that

score the worst overall ESG grade (“CCC”) from the Data Provider. Companies are rated on an AAA-CCC scale relative to the standards and performance of their industry peers.

- The Investment Manager monitors the carbon intensity of companies in which the Sub-Fund invests and aims to construct a portfolio whose carbon intensity is lower than the Index. Carbon intensity is a measure of greenhouse gas emissions, in tonnes, relative to the revenue of the company or portfolio. The Investment Manager obtains carbon intensity data from the Data Provider.

The Investment Manager also assesses the governance practices and governance performance of companies in which it invests. This assessment is based on specialised governance information and ratings from the Data Provider in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Manager monitors compliance with the social and/or environmental characteristics outlined above on a regular basis through the use of research and ratings from external data providers.

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics outlined above, including:

- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings.
- The carbon intensity of the portfolio (see above for more information) measured by an external provider of carbon footprint measurement services.
- The percentage of board members of companies in which the fund invests which are female.

The Sub-Fund has designated the MSCI EMU Index (the “Index”) as a reference benchmark. The Index is not aligned with all of the environmental or social characteristics promoted by the Sub-Fund, as its methodology does not take account of environmental or social characteristics of companies when determining the inclusion of companies in the Index.

#### *Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

#### ***KBI Index Eurozone/Global Equity Fund***

#### *Investment Objectives/Policies*

The investment objective of the Sub-Fund is to achieve long term capital growth while maintaining an adequate spread of risk by indirectly investing primarily in equity and equity-related securities (such as convertible bonds and warrants) of leading companies listed or traded on Recognised Exchanges worldwide. The Sub-Fund intends to achieve its investment objective by investing substantially all of its assets in sub-funds of Blackrock Global Investors Index Selection Fund (“Blackrock”) and Sub-Funds of the Fund.

The Sub-Fund intends to invest up to 50% of its assets in the Blackrock EMU Index Sub-Fund

and/or the Blackrock North America Index Sub-Fund, which are sub-funds of Blackrock. Blackrock is an umbrella type open-ended unit trust and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended. It is managed by Blackrock, one of the world's largest asset management firms and a provider of global investment management, risk management and advisory services to institutional, intermediary and individual investors around the world.

The investment objective of the Blackrock EMU Index Sub-Fund is to provide a total return, taking into account both capital and income returns, which reflects the total return of the equity market in the European Economic and Monetary Union (the "EMU"). In order to achieve this investment objective, the investment policy of the Blackrock EMU Index Sub-Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI EMU Index (the "Index"), the sub-fund's benchmark index. The investments of the Blackrock EMU Index Sub-Fund will normally be listed or traded on regulated markets in the EMU, but may alternatively be listed and traded on other regulated markets. The MSCI EMU Index is a free float-adjusted market capitalization weighted index that is designed to capture the equity market performance of countries within the EMU.

The investment objective of the Blackrock North America Index Sub-Fund is to provide a total return, taking into account capital and income returns, which reflects the total return of the equity markets in North America net of taxes. In order to achieve this investment objective, the investment policy of the Blackrock North America Index Sub-Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI North America Index (the "Index"), the sub-fund's benchmark index. The investments of the Blackrock North America Index Sub-Fund will normally be listed or traded on regulated markets in Canada and the US, but may alternatively be listed and traded on other regulated markets. The MSCI North America Index is a free float-adjusted market capitalization weighted index that is designed to capture the equity market performance of countries within North America. The periodic reports of the Blackrock North America Index Sub-Fund will be attached to the periodic reports of the Sub-Fund.

The remainder of the Sub-Fund's assets will be invested in other equity sub-funds of Blackrock and the Fund, the investment objectives and policies of which are to invest in a broad range of equity securities of companies listed or traded on Recognised Exchanges in specific countries, depending on the geographic focus of the particular sub-fund. The Sub-Fund may also invest in exchange traded funds subject to the investment restrictions set out in the Prospectus under the heading "The Fund – Investment Restrictions".

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 1.8% of Net Asset Value (exclusive of VAT, if any).

The performance of the Sub-Fund's portfolio of investments will be measured against a combined index of 50% MSCI EMU Index (comprising a universe of developed market publicly quoted equity securities quoted and domiciled in the EMU) and 50% MSCI World ex EMU Index (comprising a universe of developed market publicly quoted equity securities quoted and domiciled outside the EMU) or any other indices which replaces them or are considered to be the market standard in place of those indices and any such change in those indices will be notified to Unitholders in the semi-annual or annual accounts. The Sub-Fund will be managed to achieve a return in line with the combined indices referred to above.

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

*Investment Restrictions*

The Sub-Fund's investment restrictions are set out in the Prospectus under the heading "The Fund – Investment Restrictions".

***KBI Passive US Equity Fund***

*Investment Objectives/Policies*

The investment objective of the Sub-Fund is to replicate the MSCI USA Index (net of fees), a market capitalisation weighted index comprising publicly quoted US Exchange listed traded securities.

The Sub-Fund seeks to achieve its objective through investment directly and/or indirectly (in units of other collective investment schemes) in equity and equity related securities (such as convertible bonds and warrants) of leading companies listed or traded on Recognised Exchanges worldwide. The weighting of securities of a specific issuer in the Sub-Fund's portfolio will closely correspond to the weighting of those securities in the MSCI USA Index. Deviations will be temporary and will relate to operational difficulties. Deviations in excess of 0.5 per cent of the NAV of the Sub-Fund will be rectified without delay.

The Sub-Fund may invest in units of other open-ended collective investment schemes, the investment objectives and policies of which are consistent with those set out above. The Sub-Fund may invest in leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes worldwide (including but not limited to the United States).

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment scheme level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

All dividends will be reinvested.

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

*Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

Although not envisaged due to the diverse nature of the MSCI USA Index, if the weighting of any particular stock in the Sub-Fund's portfolio would exceed the Sub-Fund's investment restrictions, the Sub-Fund will adopt as a priority objective the remedying of that situation taking due account of the interests of its Unitholders.

## ***KBI Innovator Fund***

### *Investment Objectives/ Policies*

The investment objective of the Sub-Fund is to achieve long term capital growth while maintaining an adequate spread of risk. The Sub-Fund aims to offer significant diversification by gaining exposure to alternative assets and themes/sectors, including but not limited to commodities, alternative energy, water and emerging markets, not normally available in traditional equity or managed funds. It is envisaged that the Sub-Fund will display a relatively high level of volatility against the benchmark set out below and will work well as a diversifier from traditional assets and themes/sectors.

The Sub-Fund seeks to achieve its objective and gain exposure to the alternative assets and themes/sectors referred to above through investment directly and/or indirectly (in units of other collective investment schemes, including exchange traded funds) in global equity and equity-related securities (such as convertible bonds and warrants) of companies listed or traded on Recognised Exchanges worldwide and in fixed income securities (such as bonds and notes), cash, property and commodity indices. The fixed income securities will be listed or traded on Recognised Exchanges worldwide and will have a rating of at least BBB from Standard & Poors or equivalent rating. Bonds may be fixed and/or floating rate, issued by governments and/or corporates. The performance of the Sub-Fund will be measured against the MSCI World Index, a market capitalisation weighted index of the major shares (approximately 1,600 companies) listed on organised exchanges in developed (currently 23) countries. The Sub-Fund will be managed to out-perform the index referred to above (or any other index which replaces it or which is considered to be the market standard in place of that index and any such change in the index will be notified to Unitholders in the semi-annual or annual accounts).

The Sub-Fund will not make any investment directly in property. Any property exposure shall be through investment in units of the KBI Qualifying Investor Fund (previously the Kleinwort Benson Investors Exempt Unit Trust). The KBI Qualifying Investor Fund is a regulated qualifying investor alternative investment fund under the AIFM Legislation. It is open-ended with quarterly dealing and is not leveraged. It is managed by KBI Global Investors Limited and invests in Irish property through investment in the Irish Property Unit Trust which is the largest Irish exempt property unit trust. KBI Qualifying Investor Fund also has an exposure to European Property on a fund of funds basis through the KBI / Lothbury Qualifying Investor Fund plc which is a fund approved by the Central Bank. The Sub-Fund will not suffer any additional management or custody fees by virtue of its investment in the KBI Qualifying Investor Fund. Investment in the KBI Qualifying Investor Fund will not exceed 10% of the NAV of the Sub-Fund.

The Sub-Fund may invest in units of other Sub-Funds of the Fund and other open-ended collective investment schemes, the investment objectives and policies of which are consistent with those set out above. Any such underlying schemes will be leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes worldwide from time to time. The periodic reports will disclose the nature of such schemes.

The Sub-Fund may invest up to 75% of its net assets in the KBI Global Resource Solutions Fund, which is a sub-fund of KBI Funds ICAV, an open-ended umbrella investment company, which is authorised by the Central Bank as a UCITS. The investment objective of the KBI Global Resource Solutions Fund is to generate the highest possible return for its Shareholders

by investing primarily in equity and equity-related securities of international companies involved in environmental sectors as further described in this paragraph. This is reflected in its pursuit of capital gains and income. In pursuit of its investment objective, the KBI Global Resource Solutions Fund invests primarily, either directly or indirectly (through investment in underlying collective investment schemes), in equity and equity-related securities (including, but not limited to, warrants, convertibles, rights which are issued by a company to allow holders to subscribe for additional securities issued by that company, ADRs and GDRs) of companies listed or traded on recognised exchanges worldwide which, in the opinion of the investment manager of KBI Global Resource Solutions Fund, generate a substantial proportion of their turnover from and operate on a sustainable basis in the environmental sector by providing solutions to environmental challenges. The KBI Global Resource Solutions Fund may invest across all facets of the environmental sector including but not limited to renewable energy, clean energy, water infrastructure and technology, energy efficiency, waste management and recycling and carbon trading. The periodic reports of the KBI Global Resource Solutions Fund will be attached to the periodic reports of the Sub-Fund.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

#### *Sustainable Finance*

The Sub-Fund promotes environmental and social characteristics by primarily investing, both directly and indirectly through collective investment schemes, in companies which, in the opinion of the Investment Manager, generate a substantial proportion of their turnover from and operate on a sustainable basis in the environmental sector by providing solutions to environmental challenges. The provision of solutions to environmental challenges is, in the opinion of the Investment Manager, a benefit to the environment and to society.

In the case of investments in passively managed collective investment schemes and in collective investment schemes which invest in commodities, the Investment Manager may invest in such schemes even if the investment manager of the underlying scheme does not promote environmental and social characteristics in that fund.

In identifying investments which allow the Sub-Fund to promote environmental and social characteristics, the Investment Manager adopts the following strategies:

#### Collective Investment Schemes

- When making investments in active collective investment schemes, excluding commodity-related schemes, the Investment Manager will only invest in schemes where the investment manager of the underlying scheme assesses the Environmental, Social and Governance (“ESG”) performance of companies in which it invests, and integrates the results of that assessment into its investment decisions.

#### Direct Investments

- The Investment Manager excludes holdings deemed inconsistent with its Responsible

Investment Guidelines or that are involved with certain controversial sectors, as determined by the Investment Manager's Responsible Investment Committee. The Sub-Fund can not invest in any companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds. Full details of the exclusions and thresholds are available in the Responsible Investing Policy of the Investment Manager which can be viewed on its website at [www.kbiglobalinvestors.com](http://www.kbiglobalinvestors.com).

- The Investment Manager carries out its own assessment of the environmental and social performance of companies, based on its own research and knowledge of the companies, public information and information (including specialised ESG information) and ratings from external data providers ("Data Providers").

The Investment Manager also assesses the governance practices and governance performance of both the active collective investment schemes and companies in which it invests:

#### Collective Investment Schemes

The Investment Manager ensures that the investment managers of the underlying active collective investment schemes in which the Sub-Fund invests, excluding commodity-related schemes, assess the governance practices and governance performance of companies in which those collective investment schemes invest.

#### Direct Investments

In the case of direct investment in companies, this assessment of governance practices and performance is based on the Investment Manager's knowledge of the companies based on its direct interactions with companies, its analysis of the financial statements and related materials of companies, and information including specialised governance information and ratings from at least one Data Provider in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Manager monitors compliance with the social and/or environmental characteristics outlined above as follows:

#### Collective Investment Schemes

The Investment Manager employs a thorough due diligence process, both before initial investment as well as on an ongoing basis, to assess the approach of the investment manager of the underlying scheme in integrating ESG factors into its decision-making process.

#### Direct Investments

The Investment Manager on a regular basis carries out its own ongoing research and monitoring of portfolio companies and also uses the research and ratings from Data Providers.

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics outlined above, including:

- The percentage of revenues earned on an estimated basis by portfolio companies which

- are generated from the provision of solutions to environmental challenges.
- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external Data Provider.
  - The carbon intensity of the portfolio, measured by an external provider of carbon footprint measurement services.
  - The percentage of board members of companies in which the Sub-Fund invests which are female.

The Sub-Fund has designated the MSCI World Index (the "Index") as a reference benchmark. The Index is not aligned with all of the environmental or social characteristics promoted by the Sub-Fund, as it includes a broad variety of companies and not just those companies which operate on a sustainable basis in the environmental sector by providing solutions to environmental and social challenges.

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

#### *Investment Restrictions*

The Sub-Fund's investment restrictions are set out in the Prospectus under the heading "The Fund – Investment Restrictions".

## **2. Unit Classes**

Units shall be issued to investors as Units of a Class in a Sub-Fund. The AIFM may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum subscription, designated currency, distribution policy and such other features as the AIFM may determine may be applicable.

The Classes available in a Sub-Fund and their respective subscription fees and expenses (including management fee, administration fee and trustee fee), designated currency, and other relevant Class specific features shall be detailed in separate Classes Information Cards which forms part of the Prospectus and are available from the Administrator and relevant Distributor.

## **3. Issue of Units**

The procedures to be followed in applying for Units and details of applicable subscription fees are set out in the Prospectus under the heading "Administration of the Fund-Application for Units".

#### *Initial Issue*

During the initial offer period of a Class, Units shall be offered to investors at an initial issue price per Unit as set out in the relevant Classes Information Card.

The initial offer period may be shortened or extended by the AIFM with the consent of the Trustee. The Central Bank shall be notified of any such shortening or extension.



### *Subsequent Issues*

Thereafter, Units shall be issued at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be issued. A subscription fee as set out in the Classes Information Cards to this Prospectus may be deducted as set out in the Prospectus under the heading "Administration of the Fund – Application for Units".

#### **4. Dealing Day**

Every Business Day for all Sub-Funds or such other day or days as the AIFM may with the approval of the Trustee, determine provided that (i) there is at least one dealing day per month and (ii) Unitholders will be notified in advance of any changes to the Dealing Day.

#### **5. Base Currency**

The Base Currency for each Sub-Fund is Euro.

#### **6. Distribution Policy**

"A" Units shall not be entitled to receive distributions whereas "B" Units shall.

#### **7. Fees**

In addition to the fees and expenses of the Trustee and the general management, administration and fund charges set out in the Prospectus under the heading "Management and Fund Charges", certain Class specific fees are payable out of certain Classes as set out in the relevant Classes Information Cards.

#### **8. Risk Factors**

The Risk Factors applicable to a Sub-Fund are set out in the Prospectus under the heading "Risk Factors".

#### **9. Establishment Expenses**

The fees and expenses relating to the establishment of the Sub-Funds have been amortised in full.