M&G Global Fixed Income Fund

retail investor alternative investment fund of

M&G (SOUTH AFRICA) GLOBAL FUNDS ICAV

an umbrella fund with segregated liability between sub-funds

Supplement to the Prospectus dated 22 April 2022 for M&G (South Africa) Global Funds ICAV

This supplement contains specific information in relation to the M&G Global Fixed Income Fund (the **Fund**), an open-ended fund of M&G (South Africa) Global Funds ICAV (the **ICAV**) an umbrella fund with segregated liability between Funds authorised by the Central Bank of Ireland pursuant to the provisions of the Irish Collective Asset-management Vehicle Act 2015 as a retail investor alternative investment fund.

The Directors of the ICAV, whose names appear in the Directors of the ICAV section 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

An investment in this Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors. Please refer to the risk factors as set out under the heading **Risk Factors** 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 financial adviser.

This Supplement forms part of and should be read in conjunction with the Prospectus.

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

DATE: 22 April 2022

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The investment objective of the Fund is to generate investment returns through exposure to global bonds and interest-bearing instruments over the medium term.

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The Fund will seek to achieve its investment objective by investing in a diversified portfolio of global debt and fixed income securities in any currency, of various types and maturities issued by government and/or corporate entities which may be fixed or floating rate, rated or unrated, convertible or non-convertible.

The Fund may also seek exposure to the types of securities referred to above by investing in collective investment schemes (including ETFs) that invest or seek exposure to debt and fixed income securities as set out below.

Further detail in respect of each of the asset classes listed above are described below in the section entitled **Asset Class Description**.

2.2. Investment Strategy

The Fund may purchase debt and fixed income securities that in the opinion of the Investment Manager, offer the opportunity to generate returns by virtue of their valuation relative to their intrinsic value and characteristics such as the prospective real return, inflation, credit spreads, default rates of particular sectors and sub-sectors.

In order to achieve its investment objective, the Investment Manager will analyse the expected returns and valuations within the various categories of debt and fixed income securities. The Investment Manager will take the following factors into account when analysing such expected returns, including credit spread (by reference to the instrument in the context of the prevailing macro environment as well as its historical performance and the expected future environment), duration, region, sectors and currency. The Investment Manager, having carried out its analysis, will then select the most appropriate instruments for investment.

The Fund may invest, where appropriate in other permitted assets (as described in this Supplement), where in the opinion of the Investment Manager, the risk reward characteristics offer the opportunity to meet the investment objective of the Fund.

The Fund may invest in ETFs and other active and/or passive collective investment schemes to gain access to expected market returns or underlying instrument selection skills of the underlying manager of the collective investment scheme in question.

Geographical Focus

The Fund will not be subject to any geographical or sector restrictions. The Fund may invest up to 50% of its Net Asset Value in emerging markets and up to 10% of its Net Asset Value in frontier markets as determined by the Investment Manager (and which are set out in Appendix 1 to the Prospectus).

In addition, the Fund's investment in transferable securities (save for permitted investments in unlisted securities) will be made on exchanges and markets listed in Appendix 1 to the Prospectus.

2.3. Asset Class Description

2.3.1. Debt Securities

The Fund may invest in debt or fixed income securities of various types and maturities issued by government, state-owned enterprises, corporate entities, supranationals, securitisation vehicles and other issuers. Such debt or fixed income securities will include fixed rate, floating rate and variable rate notes, bonds, treasury bills and, in addition, convertible bonds/debentures and preferred stock. Such debt or fixed-income securities may be rated investment grade or below investment grade by a recognised rating agency such as Moody's or S&P or unrated.

The debt securities that the Fund may acquire include preference shares which are shares that ordinarily pay dividends at a specific rate and generally have preference, in respect of the payment of dividends, over ordinary shares but which would rank behind other debt securities. Unlike interest payments on debt securities, dividends and preference shares most generally are paid out of a company's distributable reserves.

Also as part of its investment in fixed income securities, the Fund may invest in exchange-traded notes (which will not embed leverage) which reference either debt securities, baskets or indices of debt securities and which are typically issued by investment grade institutions. Exchange-traded notes generally refer to freely transferable securities traded on an exchange where the return is linked to the performance of an underlying asset or an index. The purpose for acquiring exchange-traded notes is to provide the Fund exposure to a variety of asset classes (as set out in this supplement) and to enable the Fund to diversify its portfolio.

As part of its investment in fixed income securities, the Fund may invest up to 30% of its Net Asset Value in asset-backed securities (which will not embed leverage). An asset-backed security is a type of security which may be backed by or collateralised by, amongst other things a pool of loans secured on project finance, infrastructure, receivables or cash flows.

2.3.2. Collective Investment Schemes

The Fund may seek to achieve its objective by investing in collective investment schemes (including ETFs, as described below in further detail) which give exposure to some or all of the asset classes referred to in section 2.3 of this Supplement.

The types of collective investment schemes in which the Fund may invest include ETFs, investment trusts, unit trusts, investment companies (with variable or fixed capital), contractual structures similar to trusts (such as common contractual funds where the underlying fund is set up based on a contract or a trust document rather than being a separate legal entity like a company). The Fund may invest more than 30% of its Net Asset Value in other collective investment schemes and where the Fund does so, it shall ensure that the collective investment schemes in which the Fund invests are prohibited from investing more than 30% of its Net Asset Value in other collective investment schemes.

The Fund may invest in ETFs in order to replicate the investment exposure of specific sectors, asset classes, markets, geographies or currencies consistent with the Fund's investment objectives and in accordance with the AIF Rulebook. In the case of regulated open-ended funds (including ETFs), such funds will be domiciled in the EEA, the United Kingdom, US, Guernsey, Jersey or the Isle of Man meeting the requirements of the Central Bank. The Fund may not invest more than 20% of its Net Asset Value in unregulated or other open-ended collective investment schemes (which are not category 1 or category 2 investment funds for the purposes of the AIF Rulebook). Such collective investment schemes will be of a type referred to in this section but will not be domiciled in one of the above jurisdictions and, therefore may not be considered to be a regulated collective investment scheme for the purposes of the AIF Rulebook.

The collective investment schemes in which the Fund may invest may charge subscription, repurchase, management, performance, distribution, administration and/or custody fees. Accordingly, the Fund will pay indirectly, its pro rata share of the fees and expenses charged by each underlying fund as well as the operating fees and expenses of any underlying fund. All such fees and expenses will be reflected in the Net Asset Value of the Fund. The maximum level of annual management fees which the Fund may effectively incur arising from its investment in underlying funds will be 2% of the amount invested per annum. Such underlying funds may also incur performance fees over and above the annual management fees referred to above. Where a commission is received by the AIFM by virtue of an investment in the units or shares of another fund, this commission will be paid into the assets of the Fund.

The Fund may only invest in collective investment schemes (including ETFs) which invest predominantly in transferable securities and which meet the investment restrictions of the Fund itself.

The collective investment schemes in which the Fund may invest may not use financial derivative instruments. The use of financial derivative investments for such collective investment schemes must not be permitted within the collective investment schemes' prospectus and other offering documentation.

Subject to section 47 of the ICAV Act, the Fund may also acquire shares in another sub-fund of the ICAV. The investment restrictions applicable to investment in collective investment schemes also apply to investment in other sub-funds of the ICAV. Please refer to the section headed **Cross Investment** in the Prospectus for further detail.

2.3.3. Equity Securities

The Fund may only hold equity securities as a result of a restructuring of a current investment (for example, where a debt security is held by the Fund and as a consequence of a restructuring of an underlying obligor, the debt security is exchanged for an equity security). It is not the intention of the Fund to invest in equities directly.

In the event of the Fund acquiring equity securities as a result of a restructuring of an investment, the Investment Manager will look to dispose of such equities in an orderly fashion having regard to the best interests of the Fund as to the timing of such disposal.

2.3.4. Liquid Assets

The Fund may hold and invest in ancillary liquid assets such as cash, trade deposits, money market instruments including but not limited to commercial paper and certificates of deposit, money market funds or equivalent short term paper including treasury bills.

Such assets may be held: (i) because the Investment Manager is unable to identify sufficient suitable investment opportunities; (ii) to protect the value of the Fund and maintain liquidity at times of falling or volatile markets; or (iii) as otherwise deemed appropriate by the Investment Manager.

3. INVESTMENT RESTRICTIONS

3.1. The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

3.2. In addition, the following additional restrictions shall apply:

3.2.1. the Fund will not engage in short selling;

3.2.2. the Fund will not acquire securities that compel it to accept physical delivery of a commodity in any circumstances;

3.2.3. for as long as the Fund is approved, in terms of section 65 of the Collective Investment Schemes Control Act in South Africa, for sale in South Africa:

(1) the Fund may not invest more than 20% of its Net Asset Value in any one collective investment scheme and

(2) the Fund may not invest more than 10% of its Net Asset Value in securities which are not either (i) listed on an exchange which has obtained full membership of the World Federation of Stock Exchanges or (ii) listed on an exchange in respect of which the AIFM or the Investment Manager has undertaken a comprehensive due diligence exercise which encompasses the following areas of enquiry (a) liquidation and repatriation of

funds, (b) regulation, (c) regular operations, (d) recognition and (e) being open to the public;

3.2.4. the Fund may not use financial derivative instruments, nor invest in repurchase and reverse repurchase agreements, nor engage in securities lending;

3.2.5. the Fund cannot hold property.

4. **BORROWING AND LEVERAGE**

4.1. This section should be read in conjunction with the investment and borrowing restrictions as set out in the section headed **Borrowing and Leverage** in the Prospectus.

4.2. The Fund may borrow up to 10% of its Net Asset Value on a temporary basis (as provided for below). Such borrowings are permitted only to meet the Fund's obligations in relation to:

4.2.1. the administration of the Fund relating to the settlement of purchase and/ or sale transactions; and/ or

4.2.2. the redemption and/ or cancellation of Shares in the Fund.

4.3. Borrowing in relation to 4.2.1 above is only permitted for a period up to 8 calendar days and in relation to 4.2.2 for a period up to 61 calendar days.

4.4. Such restrictions shall apply where the Fund is registered for sale in South Africa and where it is a requirement of the Financial Services Board of South Africa to allow the Fund to be distributed to South African retail investors.

5. **SOFT COMMISSIONS**

The Fund does not intend to engage in any soft commission arrangements.

6. **RISK FACTORS**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the Investment Risks section of the Prospectus and those referred to below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares.

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

6.1. Collective Investment Scheme Risk

The Fund may invest in one or more collective investment schemes including schemes managed by the Investment Manager or its associated companies. Non-Irish domiciled collective investment schemes may not provide a level of investor protection equivalent to that provided by collective investment schemes authorised by the Central Bank.

As a unitholder of another collective investment scheme, the Fund bears, along with other unitholders, its pro-rata share 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 the Fund bears directly in connection with its own operations. Where the Fund is the initial investor in a collective investment scheme, it may suffer a proportionally higher total expense ratio but the Fund would only seed a collective investment scheme in this manner where the Investment Manager has deemed it to be in the best long term interests of the Fund.

Where the Fund invests in a collective investment scheme which itself is leveraged, the potential loss to the investor (if the value of the assets held by such leveraged collective investment scheme falls), is greater than the loss that would be incurred if the collective investment scheme was unleveraged.

Investment in an unregulated collective investment scheme will not provide a level of protection equivalent to Irish regulated collective investment schemes.

6.2. ETF General Risks

The Fund may invest in ETFs. There are risks to investing in ETFs generally.

6.2.1. Absence of an active market and lack of operating history risk

There is no guarantee that any particular ETF will be available or will continue to be available at any time. The ETFs may be newly or recently organised investment funds with limited or no previous operating history.

6.2.2. Redemption risk

The Fund's ability to realize the full value of an investment in an underlying ETF will depend on the Fund's ability to sell such ETF units or shares on a securities market. If the Fund chooses to exercise its rights to redeem ETF units or shares, then it may receive less than 100% of the relevant ETF's then current trading price per share.

6.2.3. Reinvestment risk

If an underlying ETF pays distributions in cash that the Fund is not able to reinvest in additional units or shares of the ETF on a timely or cost-effective basis, then the performance of the Fund may be negatively impacted by holding such uninvested cash.

6.2.4. Trading price of ETFs risk

Units or shares of an ETF may trade in the market at a premium or discount to the ETF's net asset value per unit or share and there can be no assurance that units or shares will trade at prices that reflect their net asset value. The trading price of the units or shares will fluctuate in accordance with changes in the ETF's net asset value, as well as market supply and demand on the stock exchange.

6.2.5. ETF index risks

The Fund may invest in ETFs which (i) invest in securities that are included in one or more indices in substantially the same proportion as those securities are reflected in a referenced index or indices, or (ii) invest in a manner that substantially replicates the performance of such a referenced index or indices.

6.2.6. Calculation and termination of the indices risk

If the computer or other facilities of the index providers or a stock exchange malfunction for any reason, calculation of the value of the indices and the determination by the manager of the prescribed number of units or shares and baskets of securities may be delayed and trading in units or shares of the ETF may be suspended for a period of time. In the event that an index provider ceases to calculate the indices or the license agreement with the manager of an ETF is terminated, the manager of the ETF may terminate the relevant ETF, change the investment objective of the ETF or seek to replicate an alternative index (subject to investor approval in accordance with the ETF's constituting documents), or make such other arrangements as the manager determines. This may negatively impact the value of the Fund's investment in such ETF.

6.2.7. Cease trading of constituent securities risk

If constituent securities of the indices cease trading at any time by order of a stock exchange, a securities regulatory authority or other relevant regulator, the manager of the ETF may suspend the exchange or redemption or units or shares of the ETF until such time as the transfer of the securities is permitted by law.

6.2.8. Index investment strategy risk

The indices on which the ETFs are based were not created by the index providers for the purpose of the ETFs. The index providers have the right to make adjustments or to cease calculating the indices without regard to the particular interests of the manager of the ETF, the ETFs, or the investors in the ETF.

6.2.9. Rebalancing and adjustment risk

Adjustments to baskets of securities held by ETFs to reflect rebalancing of and adjustments to the underlying indices on which they are based will depend on the ability of the manager of the ETF and its brokers to perform their respective obligations. If a designated broker fails to perform, an ETF would be required to sell or purchase, as the case may be, constituent securities of the index on which it is based in the market. If this happens, the ETF would incur additional transaction costs that would cause the performance of the ETF to deviate more significantly from the performance of such index than would otherwise be expected.

6.2.10. Risk of not replicating the indices

The ETFs will not replicate exactly the performance of the underlying indices on which they are based because the total return generated will be reduced by the management fee payable to the manager of the ETF and transaction costs incurred in adjusting the portfolio of securities held by the ETFs and other expenses of the ETFs, whereas such transaction costs and expenses are not included in the calculation of such indices. It is also possible that, for a period of time, the ETFs may not fully replicate the performance of such indices due to the temporary unavailability of certain securities that are included in an index in the secondary market or due to other extraordinary circumstances.

6.2.11. Tracking error risk

Deviations in the tracking by an ETF of the index on which it is based could occur for a variety of reasons. For example, where an ETF tenders securities under a successful takeover bid for less than all securities of a constituent issuer and the constituent issuer is not taken out of the applicable index, the ETF would be required to buy replacement securities for more than the takeover bid proceeds.

Adjustments to the basket of securities necessitated by the rebalancing of or adjustment to an index could affect the underlying market for constituent securities of the applicable index which in turn would be reflected in the value of that index. Similarly, subscriptions for units or shares of an ETF by designated brokers or underwriters may impact the market for constituent securities of the index, as the designated broker or underwriter seeks to buy or borrow such securities to constitute baskets of securities to deliver to the ETF as payment for the units or shares to be issued.

6.2.12. ETF industry sector risk

The Fund may invest in ETFs that provide exposure to securities involving industry sector risks. Investing in one specific sector of the stock market entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favour, the share values of most or all of the companies in that sector will generally fall faster than the market as a whole.

An industry can be significantly affected by, amongst other things, supply and demand, speculation, events relating to international political and economic developments, energy conservation, environmental issues, increased competition from other providers of services, commodity prices, regulation by various government authorities, government regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps, the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards and general changes in market sentiment. Moreover, it is possible that other developments, such as increasingly strict environmental and safety laws and regulations and enforcement policies thereunder and claims for damages to property or persons resulting from operations could result in substantial costs and liabilities, delays or an inability to complete projects or the abandonment of projects.

The extent of these factors cannot be accurately predicted and will change from time to time, but a combination of these factors may result in issuers not receiving an adequate return on invested capital. Many industries are very competitive and involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome.

6.3. Credit and Other Debt Security Risks

Credit risk is the risk that an issuer of a bond or other fixed income security will not be in a position to pay interest or repay the principal once due. Credit risk is generally lowest among issuers that have a high credit rating from an independent credit rating agency. It is generally highest among issuers that have a low credit rating or no credit rating. Debt securities issued by companies or governments in emerging or frontier markets often have higher credit risk (lower rated debt), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (higher rated debt). The prices of securities with a low rating or no rating tend to fluctuate more than securities with higher ratings. They usually offer higher interest rates, which may help to compensate for the higher credit risk.

Asset-backed securities are often subject to extension and prepayment risks, which may have a substantial impact on the timing of their cashflows. The average life of each individual security may be affected by a large number of factors such as structural features (including the existence and frequency of exercise of any optional redemption, mandatory redemption or prepayment or sinking fund features), the payment or the prepayment rate of the underlying assets, a change in the repayment profile of the security held by the Fund, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Rising interest rates tend to extend the duration of mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit increased levels of volatility should it hold mortgage-backed securities. In addition, mortgage-backed securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Fund because the Fund will have to invest that money at the lower prevailing interest rate.

Investment grade assets must have a minimum credit rating. However, even where assets exhibit these minimum ratings, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of investment grade debt.

6.4. High Yield Securities Risk

Below investment grade debt securities and unrated debt securities are often speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty

6.5. Default Risk

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

6.6. Yield Risk

Investment in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

6.7. Preference Shares Risk

Preference shares may pay dividends at a specific rate and generally have preference over ordinary shares, but rank after debt securities. Unlike interest payments on debt securities, dividends on preference shares are generally payable at the discretion of the board of directors of each issuer. The market prices of preference shares are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the price of debt securities.

6.8. Liquidity Risk

Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the investments owned by the Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid but the Fund may also hold investments that may become illiquid, which means they can't be sold quickly or easily. Some investments are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. If the Fund has trouble selling an investment, it can lose value or incur extra costs. In addition, illiquid investments may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in the Fund's value.

6.9. Currency Risk

The Net Asset Value per Share will be computed in the base currency of the Fund, whereas the Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. The Fund may hold unhedged currency positions which may cause a loss to the Fund.

6.10. Emerging and Frontier Markets Risks

The Fund may invest in emerging or frontier markets and investors should be aware of risks attached to investing in such markets which could have an impact on the performance of the Fund. Along with Currency Risk described above, in particular, the following risks should be noted:

(1) Settlement and Credit Risks

The trading and settlement practices of some of the stock exchanges or markets on which the Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Fund. In addition, the Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the AIFM to settle transactions on a delivery free of payment basis where the AIFM (or the Investment Manager) believes that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Depositary will not be liable to the relevant Fund or to the Shareholders for such a loss.

(2) Regulatory and Accounting Standards Risk

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

(3) Political Risks

The performance of the Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. The Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

(4) Custody Risks

Local custody services remain underdeveloped in many emerging or frontier market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances the Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging or frontier market countries evidence of title to shares is maintained in "book-entry" form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of the Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in more organised securities markets.

(5) Liquidity Risk

Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

(6) Emerging and Frontier Market Debt Securities Risk

The funds and securities selected by the Investment Manager may invest in emerging or frontier market debt securities, including short term and long term securities denominated in various currencies. These securities may be unrated or rated in the lower rating categories by the various credit rating agencies. These securities are subject to greater risk of loss or principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for emerging or frontier market debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for emerging or frontier market debt securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about emerging or frontier market debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

6.11. Legal and/or Regulatory Risk

Legal and regulatory (including taxation) changes could adversely affect the Fund. Regulation (including taxation) of investment vehicles such as the Fund is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the Fund is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

6.12. Changes in Legislation Risk

There can be no assurance that income tax, securities or other law, or any administrative practice or interpretation thereof, will not be changed in a manner which adversely affects the Fund or its shareholders.

6.13. Substantial Redemption / Subscription Risk

The purchase or redemption of a substantial number of shares in the Fund may require the Investment Manager to change the composition of the Fund's portfolio significantly or may force the Investment Manager to buy or sell investments at unfavourable prices, which may adversely affect the Fund's returns, its overall performance and may increase the Fund's realised capital gains. Portfolio turnover for the Fund may also result in increased trading costs, and may adversely impact the Fund's overall costs of operation.

The general risk factors set out under the heading **Risk Factors** in the Prospectus apply to the Fund.

7. KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency is USD.

Business Day means any day (other than a Saturday or Sunday) on which banks in Dublin are open for business.

Dealing Day means every Business Day

Dealing Deadline means 14.00 (UK time) on the relevant Dealing Day, or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point and notified in advance to Shareholders.

Share Classes

Shares in the following classes are currently available for subscription:

Share Class	*Currency*	*Initial Offer Price*	*Minimum Initial Subscription***	*Minimum Additional Subscription***	*Minimum Holding Amount***	*Annual Management Fee*
Share Class A ACC	USD	US$1	US$50,000	US$1,000	US$10,000	0.90% of the Net Asset Value of the Fund
Share Class B ACC	USD	US$1	US$2,500,000	US$1,000	US$10,000	0.60% of the Net Asset Value of the Fund
Share Class C ACC	USD	The Initial Offer Period has closed.	US$5,000,000	US$1,000	US$10,000	0.50% of the Net Asset Value of the Fund
Share Class D ACC	USD	US$1	US$50,000,000	US$1,000	US$10,000	0.50% of the Net Asset Value of the Fund
Share Class E ACC	USD	US$1	US$100,000,000	US$1,000	US$10,000	0.40% of the Net Asset Value of the Fund
Share Class F ACC	USD	US$1	US$20,000	US$1,000	US$10,000	1.25% of the Net Asset Value of the Fund

** or such greater or lesser amounts as the Directors may, in their sole discretion, decide.

Share classes marked ACC are accumulating shares (**Accumulating Shares**).

It is intended that Class C ACC Shares and Class E ACC Shares will only be made available to clients of MandG Investments Southern Africa (Pty) Ltd (**M&G SA**) or its subsidiaries where M&G SA or its subsidiaries have been appointed as investment manager.

Initial Offer Period

The Initial Offer Period for Share Class A ACC, Share Class B ACC, Share Class D ACC, Share Class E ACC and Share Class F ACC commenced at 9.00am (UK time) on 12 July 2019 and will continue until 5.30pm (UK time) on 21 October 2022 or such shorter or longer period as the Directors may determine on behalf of the Fund and notify to the Administrator.

Issue Prices

During the Initial Offer Period for the class in question, the issue price is the Initial Offer Price as set out in the table above. After the Initial Offer Period, subject as provided for in the Prospectus and this Supplement, the issue price will be the Net Asset Value per Share of the relevant class.

Minimum Fund Size

The minimum size of the Fund will be US$10,000,000 or foreign currency equivalent thereof or such other amount as may be determined by the Directors at their discretion.

Settlement Date means, in the case of subscriptions, cleared funds and all supporting documentation must be received by no later than 14.00 (UK time) within three Business Days after the relevant Dealing Day in question (or such other time as the Directors may agree) provided that the Application Form is received by the Dealing Deadline.

In the case of redemptions, provided all documentation required by the Administrator, including that required for anti-money laundering purposes, has been received by the Administrator, proceeds will usually be paid (by wire transfer to a specified account at the Shareholder's risk and expense or by negotiable instrument) within three Business Days (or such other time as the Directors may agree) of the Dealing Day in question.

Valuation Point means 23:00 (UK time) on each Dealing Day using close of business prices in the relevant markets or such time as the Directors may determine from time to time and notify in advance to Shareholders provided that the Valuation Point shall be after the Dealing Deadline.

Preliminary Charge: Nil.

Exchange Charge: Nil.

Redemption Charge: Nil.

8. CHARGES AND EXPENSES

All amounts below are exclusive of VAT (if any).

8.1. Annual Management Fee

The ICAV will pay, out of the assets of the Fund, an annual management fee in respect of each share class as set out in the table above under the heading **Share Classes**. The fees of the AIFM, Investment Manager and Distributor will be paid out of the annual management fee.

Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears.

The AIFM and delegates of the AIFM (including the Investment Manager and the Distributor) will also be entitled to be reimbursed out of the assets of the Fund for all their own reasonable out of pocket costs and expenses.

8.2. Depositary and Administrator Fees

The ICAV shall pay from the assets of the Fund the following fees to the Depositary and the Administrator together with value added tax thereon, if applicable.

The ICAV shall pay the Depositary a base trustee fee up to a maximum of 0.05% per annum of the Net Asset Value of the Fund accrued daily and payable monthly in arrears.

The ICAV shall pay the Administrator (including all fees payable to the transfer agent) a base fee which shall not exceed 0.40% per annum of the Net Asset Value of the Fund. The Administrator's fees will be accrued daily and payable monthly in arrears.

The Depositary and Administrator will also be entitled to be reimbursed their reasonable out of pocket expenses from the assets of the Fund in respect of which such charges and expenses were incurred.

The Depositary is further entitled to be reimbursed any sub-custody fees and expenses, at normal commercial rates.

8.3. Establishment Costs and Expenses

The costs of establishing this Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to such establishment are not expected to exceed €25,000 (excluding VAT). These costs will be borne by the Fund and amortised over the first five years of the Fund's operation (or such other period as may be determined by the Directors at their discretion).

In addition, the Fund may also incur a portion of the original set up costs of the ICAV.

This section should be read in conjunction with the establishment costs and expenses section headed **Establishment Costs and Expenses** in the Prospectus.

8.4. Anti-Dilution Levy

When there are net subscriptions or net redemptions the Fund may add to the subscription price or deduct from the redemption proceeds respectively, an Anti-Dilution Levy. Any such levy shall be retained for the benefit of the Fund and the Directors reserve the right to apply this levy at any time. Further details are set out in the section of the Prospectus headed **Liquidity Risk Management**.

This **Charges and Expenses** section should be read in conjunction with the section in the Prospectus entitled **Fees and Expenses**.

9. DIVIDEND POLICY

No dividends will be paid in respect of Accumulating Shares. The net income attributable to Accumulating Shares will be retained by the Fund and form part of the Net Asset Value of such classes.

This section should be read in conjunction with the **Dividend Policy** section of the Prospectus.

10. SUBSCRIPTION FOR SHARES

Applications for Shares should be made on the Application Form and be submitted in accordance with the provisions set out in the Prospectus to be received by the Administrator on or before the Dealing Deadline for the relevant Dealing Day.

The Minimum Shareholding must be maintained by each Shareholder in the Fund (subject to the discretion of the Directors) following any partial redemption, exchange or transfer of Shares.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Share Class (subject to the discretion of the Directors to accept payment at a later date or in other currencies).

The Directors may issue Shares of any Class and, with the consent of the Central Bank and without notice to the Shareholders, create new Classes of Shares on such terms as they may from time to time determine in accordance with the requirements of the Central Bank. Shares of any particular class may accommodate different subscriptions and/or redemption and/or dividend provisions and/or charges and/or fee arrangements.

This section should be read in conjunction with the section in the Prospectus entitled **Subscription for Shares**.

11. REDEMPTION OF SHARES

When the Fund meets a redemption request in cash, the amount due on the redemption of Shares on a particular Dealing Day will be paid by the Settlement Date by electronic transfer to an account in the name of the Shareholder. Payment of any proceeds of redemption will only be paid after receipt by the Administrator of any relevant redemption documentation (including any anti-money laundering documentation requested).

No Shareholder shall be entitled to request redemption of part only of its holding of Shares of any class in the Fund if such realisation would result in its holding of Shares of such class after such realisation being below the applicable Minimum Shareholding (subject to the discretion of the Directors to allow for this).

In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the Application Form, the Shareholder must provide an original request in writing, executed by an authorised signatory of the Shareholder, to the Administrator on or prior to the receipt of the redemption request form. No third party payments will be made.

This section should be read in conjunction with the section in the Prospectus entitled **Redemption of Shares**.

12. INVESTMENT MANAGER

The AIFM has appointed M&G Investment Management Limited (**MAGIM**) as Investment Manager of the Fund to provide discretionary investment management services to the Fund pursuant to an investment management agreement. The Investment Manager was incorporated in England and Wales on 5 August 1968 as a private company limited by shares and is ultimately wholly owned by M&G plc. As at June 2021, the Investment Manager manages approximately £296bn in assets. The Investment Manager is based in London and is a leading retail and institutional fund manager. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

Delegation by the AIFM

The AIFM delegates the following services to MAGIM pursuant to an investment management agreement:

- responsibility for the management and investment of the assets and investments of the Fund;
- dealing services in equity securities, fixed income, foreign exchange, derivatives, cash deposits or such other instruments as may be required from time to time;
- collateral management services;
- transaction reporting services (as appropriate); and
- back office services associated with the provision of the above services, including record keeping, trade confirmation, trade settlement and regulatory compliance.

13. DISTRIBUTOR

MandG Investments Unit Trusts South Africa (RF) Ltd (the **Distributor**) has been appointed to act as distributor of the Fund pursuant to a Distribution Agreement described below to which reference to the Fund has been added and will promote the distribution and marketing of the shares.

The Distribution Agreement dated 26 May 2017 as novated and amended pursuant to an agreement dated 21 April 2022 between PGF Management Company (Ireland) Limited, the AIFM, the ICAV and the Distributor provides for the appointment of the Distributor. The Distributor has authority pursuant to the Distribution Agreement to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank, only with the prior consent of the Fund in writing. The

Distributor is regulated by a competent regulatory authority. The Distribution Agreement for the Fund contains provisions that meet the requirements of the Irish AIFM Regulations and includes the rights and obligations of the Fund and the Distributor, the instruction and termination rights, rights of information, rights of inspection and access to books and records.

Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid.

Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to the depositary of the Fund may bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the depositary for the account of the ICAV and (b) redemption monies payable by such intermediate entity to the relevant investor.