

# OFFERING SUPPLEMENT

in respect of the offer of Investor Shares in

**Merill Strategic Balanced Fund  
(the "Fund")**

a distinct sub-fund of

**Merill SICAV p.l.c.  
(the "Company")**

an open-ended collective investment scheme organised as a multi-fund public limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority ("MFSA") under the Investment Services Act (Chapter 370 of the Laws of Malta), and qualifying as a self-managed "Maltese UCITS" in terms of the Investment Services Act (Marketing of UCITS) Regulations (Legal Notice 241 of 2011, as amended from time to time)

The Company was registered on 8<sup>th</sup> October, 2015

The Fund was licensed by the MFSA on 4 October 2019 (the "Licence Issue Date")

This Offering Supplement is dated 21<sup>st</sup> November 2024

**This Offering Supplement is an updated version of the Offering Supplement dated 20 September 2021**

**This Offering Supplement may not be distributed unless accompanied by, and is to be read as forming part of and in conjunction with the latest version of the Prospectus of the Company supplemented by it. On the date hereof, such latest version of the Prospectus bears the date of 21<sup>st</sup> November 2024. Save as disclosed in this Offering Supplement, there has, as at the date hereof, been no significant change and no significant new matter has arisen since the said date of the latest version of the Prospectus. The Company has also published a Key Investor Information Document (the "KIID") in respect of Investor Shares in the Fund.**

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## IMPORTANT INFORMATION

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### **Status of the Fund**

This Offering Supplement relates to the offer of Investor Shares ("Fund Shares") in Merrill Strategic Balanced Fund (the "Fund"), a distinct sub-fund of Merrill SICAV p.l.c. (the "Company"), which is licensed by the MFSA as an open-ended collective investment scheme in terms of the Investment Services Act and qualifies as a self-managed 'Maltese UCITS' in terms of the UCITS Regulations. The Fund is constituted by the classes of Investor Shares described herein, will invest its assets in accordance with its specific investment objective and policies described herein and has the other characteristics described in more detail herein. It is established as a distinct (segregated) sub-fund of the Company in terms of the SICAV Regulations, and accordingly, the assets and liabilities of the Fund shall be treated, for all intents and purposes of law, as a patrimony separate from the assets and liabilities of each other distinct sub-fund of the Company, pursuant to such Regulations, as explained in more detail in the Prospectus (in particular under the part titled 'Segregated Funds' under the section 'Description of the Company and Share Capital' thereof).

**The licensing of the Company or any of its Funds by the MFSA does not constitute a warranty by the MFSA as to the performance of the Company or its Funds and the MFSA shall not be liable for the performance or default of the Company or any of the Funds.**

### **Offering Supplement**

**This Offering Supplement has to be read as forming part of and one and the same document with, and must be read only in conjunction with the Prospectus currently in issue by the Company, before investing in the Fund. The offering of Investor Shares in the Fund is strictly based on both such documents together and qualified by the information, terms and conditions made in each of them.** Reference is here made to the section titled 'Important Information' in the said Prospectus, which is incorporated by reference and deemed to be repeated herein, with reference to this Offering Supplement. Investors should also note that the information contained herein is limited to a brief exposition of the characteristics specific and peculiar to the Fund, whereas the Prospectus contains the detailed information about the Company, the offering of Investor Shares in all the Funds of the Company (including the Fund), the Service Providers of the Funds (including the Fund) and other essential information about the Company and all the Funds (including the Fund), and except as otherwise modified, supplemented or excluded by the provisions of this Offering Supplement (in which case the provisions of this Offering Supplement will prevail), each provision, term and condition included in the Prospectus should be considered as an essential provision, term and condition of this Offering Supplement and applicable to the Fund.

### **Risk Warning and Suitability of Investment**

Investors should note that there is a difference between the nature of a deposit and the nature of an investment in the Fund. The return on the Investor Shares in the Fund may be less than that of other comparable securities or less than interest rates available in the market and the principal invested in the Fund is capable of fluctuation. **The Fund is not principal protected. The value of investments and of Investor Shares in the Fund can go down as well as up and investors may get back less than they originally invested.**

**The Fund may invest in Transferable Securities which embed Financial Derivative Instruments (FDIs) and may also directly invest in FDIs for the purposes of efficient portfolio management, as further described under the investment policies of the Fund below. The Directors of the Company expect that the Net Asset Value of the Fund will have low volatility through investments in FDIs. The risks associated with the use of FDIs are described in detail in the Prospectus.**

**Investors should read the section entitled 'Risk Factors' in the Prospectus before investing in the Fund.** The said risk factors outlined in the Prospectus are deemed to sufficiently cover the main relevant risks which are specific to, and which may apply for an investment in, the Fund.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors in the Fund may suffer serious financial consequences under abnormal market conditions. There is no assurance that the investment objectives of the Fund will be achieved.

**An investment in the Fund is only suitable for an investor if, and before purchasing any Investor Shares in the Fund an investor should ensure that, he fully understands the nature of the investment and the risks associated with it and is able to assess the merits and risks of such an investment in the light of his personal circumstances and financial resources and that he has sufficient and adequate financial resources to be able to bear any losses that may result from such an investment.** In particular (but without limitation) an investor should inform himself as to, and how he can be affected by: (a) any possible tax consequences, (b) any legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements, and (d) any other governmental or other consents or formalities requirements to which he might be (or become) subject under the laws of the countries of his incorporation, citizenship, residence or domicile or other relevant jurisdiction, which might be relevant to the investor's purchase, holding or disposal of, or other transactions in, Investor Shares of the Fund. It is the responsibility of the investor to observe and comply with such laws and requirements aforesaid. **Investors and prospective investors should obtain individual professional advice from a suitably qualified advisor, where appropriate and necessary or where they are unable to understand or uncertain about the matters aforesaid and/or the contents of this Offering Supplement and the Prospectus. The contents of this Offering Supplement and the Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.**

**Profile of Typical Investor**

This Fund is available to retail, professional and institutional investors.

For all types of investors, the investment will be made for long-term total return growth with a moderate risk profile and a typical medium to long investment term horizon and with the investment intention of seeking to diversify the risks of the typical investor's portfolio.





In all cases, reference should be made to the part 'Risk Warning and Suitability of Investment' above.

**Restricted Offer and Distribution**

Please refer to the part titled 'Restricted Offer and Distribution' under the section 'Important Information' of the Prospectus and other relevant provisions setting out or dealing with offer and distribution restrictions in the Prospectus.

**Approval and Endorsement by the Directors**

The Directors of the Company, whose names appear hereunder, accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure such is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. This Offering Supplement has been approved by the Directors of the Company, who hereby confirm their approval by appending their signature thereto below:

 <hr/> Mr. Lawrence Zammit - Director	 <hr/> Dr. Joseph Borg Bartolo - Director
 <hr/> Mr. Stephen Paris - Director	 <hr/> Mr. David Bonett - Director

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## Directory

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<b>Company's Registered Office and correspondence address:</b>	1 / 2, High Street, Hamrun, Malta
<b>Directors:</b>	<b>Mr. Lawrence Zammit</b> <b>Mr. Stephen Paris</b> <b>Dr. Joseph Borg Bartolo</b> <b>Mr. David Bonett</b>
<b>Investment Committee:</b>	<b>Mr. Jesmond Mizzi</b> <b>Dr. Mark Azzopardi</b> <b>Mr Gianmarco Guadalupi</b> <b>Mr. Marc El-Lazidi</b>
<b>Company Secretary:</b>	<b>BOV Fund Services Limited</b> 58, Triq San Zakkarija, Il-Belt Valletta VLT 1130, Malta
<b>Investment Manager:</b>	<b>Jesmond Mizzi Financial Advisors Limited</b> 67, level 3, South Street, Valletta, Malta
<b>Depositary:</b>	<b>Swissquote Financial Services (Malta) Ltd.</b> Palazzo Spinola, 46 St Christopher Street, Valletta, Malta
<b>Global Depositary:</b>	<b>Swissquote Bank Ltd.</b> Ch. De La Cretaux 33, Gland CH-1196 Switzerland
<b>Administrator, Registrar and Transfer Agent:</b>	<b>BOV Fund Services Limited</b> 58, Triq San Zakkarija, Il-Belt Valletta VLT 1130, Malta
<b>Auditors:</b>	<b>PricewaterhouseCoopers</b> 78, Mill Street, Qormi QRM 3101, Malta
<b>Legal Advisors in Malta:</b>	<b>Conti Legal</b> 3 Macerata Street, Floriana FRN 1091, Malta

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## Definitions and Interpretation

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In this Offering Supplement the following terms shall, unless otherwise expressly stated or the context otherwise requires, have the following meanings respectively assigned to them:

<b>"Applicable Restrictions"</b>	the limits and restrictions set out in the section 'Investment Objectives, Policies and Restrictions' of the Prospectus, in MFSA Rules and in particular those contained in Part B II of the said Rules, and in the Licence Conditions;
<b>"Business Day"</b>	any day that is not a Saturday or a Sunday and not a public holiday or bank holiday in Malta;
<b>"Fund"</b>	the Merrill Strategic Balanced Fund, a distinct sub-fund of and established by the Company represented and constituted by the classes of Investor Shares described below in this Offering Supplement and collectively referred to herein as the Fund Shares, which form the subject-matter of the offering made herein;
<b>"Fund Share"</b>	An Investor Share in the Company without any nominal value assigned to it and forming part of any class of Investor Shares constituting or comprised in the Fund as described below in this Offering Supplement;
<b>"Fund Investor"</b>	a registered holder of Fund Share/s in the Fund;
<b>"Licence Issue Date"</b>	4th October 2019, being the date on which the Licence in respect of the Fund was issued by the MFSA;
<b>"Subscription Fee"</b>	the fee due by a Fund Investor upon subscription of Fund Shares as set out under the heading "Fees and charges payable by, or deductible out of monies / proceeds due to, applicants and/or Fund Investors".

**Unless otherwise expressly defined herein or the context otherwise requires, capitalised terms used herein and defined in the Prospectus supplemented by this Offering Supplement shall have the same meanings herein as therein. This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Prospectus.**

## Key Features: General

The information contained under this section 'Key Features: General' applies to the Fund generally and to the offering of Fund Shares of whatever class.

### The Fund and Fund Shares

<b>Name of Fund</b>	Merill Strategic Balanced Fund.
<b>Duration of Fund and of Offering of Fund Shares</b>	Indefinite duration and continuous offering, until the Fund is closed or liquidated or, in respect of any class of Fund Shares, until such class is permanently closed or until and for so long as the Company closes the offering of Fund Shares of any class as provided in the Prospectus.
<b>Reference Currency of the Fund</b>	USD.
<b>Classes of Fund Shares</b>	MSB Fund Class 'Z' Accumulation Shares ("Accumulation Share Class") having the rights and restrictions provided for or described herein, in the Prospectus and in the Articles.
<b>Designated Currencies</b>	The Accumulation Share Class shall be available in USD.
<b>Voting Rights</b>	The Fund Shares entitle the holder to one (1) vote per Fund Share at general meetings or respective separate class meetings of the Company, as described in and only on such matters as set out in the Articles and in the Prospectus.
<b>Valuation Day</b>	The Valuation Day in respect of (and for the purposes of calculation of the NAV of) the Fund and each of the classes of Fund Shares shall be the close of business of any and each Business Day in any calendar week. In other words, the NAV will be calculated as of each Valuation Day on the basis of the closing prices as of such Valuation Day, as such prices become available to the Administrator by latest 10:00 a.m. (CET) on the Business Day next following the Valuation Day.
<b>Tax Status of the Fund</b>	The Fund is classified as a <b>non-prescribed fund</b> . Reference is made to the section titled 'Taxation' in the Prospectus for further details on the tax treatment under Maltese law of non-prescribed funds and investors therein.

### Investment Objective, Policies and Restrictions

<b>Investment Objective</b>	<p>The investment objective of the Fund is to achieve long term capital growth.</p> <p><b>There is no guarantee that the investment objective of the Fund will be achieved and investment results may vary substantially over time.</b></p> <p>An investment in the Fund should be considered over a medium to long term as indicated under the heading 'Profile of Typical Investor' under 'Important Information' above, and should be best held for a minimum term of five (5) years.</p>
<b>Investment Policies</b>	<p>The Fund aims to achieve its investment objective by investing primarily in Transferable Securities such as equities, income debt securities and similar securities as well as in Money Market Instruments.</p> <p>Save as otherwise provided herein and subject to the Applicable Restrictions, there will be no restrictions on the underlying content of the investments held, in terms of investment type, geographical area or economic sector, including cash, which means that the Investment Manager has absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time provided such investment is compatible with the investment objective and policies of the Fund as a whole and is also in accordance with</p>

the investment guidelines, portfolio selection and asset allocation rules and investment strategy parameters set by the Investment Committee.

The Fund may invest in or be exposed to developed markets and emerging markets.

The Fund's investments will mainly be in USD but such investments may also include and/or the Fund may also be exposed to EUR or other foreign currencies.

Subject to Applicable Restrictions and under the conditions and within the limits and restrictions set out herein:-

The Fund can target all types of bonds irrespective of duration, and irrespective of whether subject to fixed or floating rates. The Fund does not have any particular allocation for investing in sovereign or private company bonds or for investing in any particular country. The Fund will invest in bonds whose credit rating will vary between AAA and CC+.

The Fund may invest in equities. When investing directly in equities, the Fund will invest in listed equities. The Fund may invest in companies of any market capitalisation. The Fund is not bound to invest any fixed percentage of its assets in any one country or industry.

The Fund may also invest in any other type of security that is consistent with its investment objectives, and may thus invest in Money Market Instruments, bank deposits, exchange traded funds (ETFs), units of collective investment schemes (CISs), structured products which qualify as Transferable Securities and which may embed financial derivative instruments (FDIs) (such as capital guaranteed with index participation, yield enhancement express certificate, participation twin win certificate) and in deposits.

The Fund will not directly invest in commodities, nor in FDIs having commodities as their underlying, but may obtain exposure to commodities through structured products.

The Fund may also invest not more than 10% of its total assets in units of CISs. The underlying assets of a CIS in which the Fund may invest will consist primarily of those investment instruments in which the Fund can invest. Thus the Fund may for example invest in CISs that invest primarily, directly or indirectly in equities or bonds or money market instruments; provided that the maximum percentage allocation allowed to the Fund for investing in any specific instrument is not exceeded. The Fund may invest in CISs managed by third parties wholly independently of it but may also invest in CISs in which the directors or shareholders of the Company or any of its Service Providers are directly or indirectly involved. The Fund may only invest in UCITS regulated by any member state of the European Union, or in CISs regulated by the Monetary Authority of Singapore or the Securities and Exchange Commission of the United States of America. The list of CISs the Fund may invest in may be changed from time to time by the Investment Manager, following MFSA approval.

Investments by the Fund in underlying CISs shall not be subject to entry or exit fees but shall be subject to all other fees, costs and expenses, such as for example fees paid to its service providers, normally associated with CISs. The direct or indirect management fees that the Fund may incur, including the management fees of investments made in a collective investment scheme where a Service Provider, director or shareholder of the Scheme is involved, shall be of not more than 1.35% of a Fund's NAV. In this respect see the heading 'Other Expenses of the Fund' under the general heading 'Fees, Charges and Expenses' to see the impact management charges will have in the Fund as a result of the Fund investing in CISs. Any trail fees paid to the

SFDR	<p>Investment Manager relating to the Fund's investments shall accrue in favour of the Fund.</p> <p>The Fund may indirectly invest in FDIs which are embedded in structured products qualifying as Transferable Securities.</p> <p>The Fund may also invest directly in FDIs for hedging / efficient portfolio management purposes, and the Fund may also employ other techniques and instruments (apart from those concerning the use of FDIs) relating to Transferable Securities and Money Market Instruments for the purpose of efficient portfolio management. These FDIs may have as their underlying any of the instruments in which the Fund may invest (as provided above in this section) as well as interest rates and foreign exchange rates or currencies (to hedge against interest rate or currency risks) and FDIs embedded in structured financial instruments as aforesaid may also be linked / referenced to major financial indices. The FDIs will primarily be listed FDIs although in limited circumstances OTC FDIs may be used as warranted by the strategies or hedging effects used or sought, and in any event under the conditions and within the limits aforesaid. <b>Given the limited use and restricted purpose use of the FDIs, the Directors of the Company expect that such use of FDIs will have a low impact on the Fund's risk profile.</b> The use of efficient portfolio management techniques and instruments will not cause the Fund to diverge from its investment objective as described above.</p> <p>The portfolio will be actively managed and normally remain fully or nearly fully invested save for start-up periods (until the Fund moves to a fully invested portfolio), such operational liquidity as is required from time to time and save also for periods of disinvestment and/or high portfolio turnover (frequent changes in trading and investment positions) dictated by market conditions or strategies used. This is also without prejudice to the right of the Fund to hold ancillary liquid assets (irrespective of its investment objective and policies).</p> <p>Borrowing will be permitted on a temporary basis in accordance with the Applicable Restrictions.</p> <p>The Fund is an Article 8 Fund.</p> <p><b>Information about the environmental or social characteristics of the Fund is available in Annex I of the Offering Supplement.</b> Detailed and relevant information on the consideration of principal adverse impacts on sustainability factors which relates to the Fund and procedures put in place to mitigate those impacts are also included therein.</p> <p>The Company monitors a Fund against the criteria set out in Annex I on an ongoing basis. If an existing investment becomes ineligible based on such criteria, it will either divest of such investment within a reasonable period, alternatively where it would be in the Fund's best interest to do so, retain the investment, notwithstanding this may decrease the percentage of investments that a Fund holds that meet the environmental or social characteristics promoted by such Fund, below the percentage threshold set by it for such investments.</p>
<b>Investment and Borrowing Restrictions</b>	<p>Apart from any restrictions set out under 'Investment Policies' above, the Fund will be subject to the investment, borrowing and leverage restrictions set out under the section titled 'Investment Objectives, Policies and Restrictions' of the Prospectus and to other Applicable Restrictions.</p>
<b>Global Exposure / Leverage</b>	<p>The Fund may be leveraged through the use of FDIs. The level of leverage to be generated through the use of FDIs shall not exceed 125% of the NAV of the Fund plus the Fund's global exposure. The global exposure of the Fund arising out of its FDI positions will be measured using the Absolute VAR, as set out in the MFS Rules.</p>



<b>Risk Factors</b>	Reference is made to the section titled 'Risk Factors' in the Prospectus, which are deemed to sufficiently cover the main relevant risks relating to the Fund and its portfolio composition, including risks arising from the use of FDIs and hedging.
<b>Permissible Regulated Markets</b>	As per the Prospectus.

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**Key Features: Classes of Fund Shares**

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The information contained under this section 'Key Features: Classes of Fund Shares' shall, except where otherwise expressly stated therein, apply equally to each and all classes of Fund Shares and to the offering of each and all such classes.

**The Accumulation Share Class**

<b>Designated Currency</b>	USD for the Accumulation Share Class.
<b>ISIN Number</b>	Accumulation Share Class: MT7000026423.
<b>Listing</b>	None.
<b>Initial Offer Period for the Accumulation Share Class</b>	From the Licence Issue Date to 4 October 2019 (CET) on the Closing Date.
<b>Closing Date for the Accumulation Share Class</b>	11 October 2019.
<b>Initial Offer Price for the Accumulation Share Class</b>	USD 1 per Share.
<b>Subscription Day</b>	Any and each Business Day in any calendar week (subject to any suspensions or deferrals of subscriptions and/or closing of offering which may be applicable at the relevant time): it being understood that the Subscription Day for Fund Shares of any class duly applied for in accordance with the Prospectus during the Initial Offer Period shall be processed (at the Initial Offer Price) as of the first Subscription Day following the relevant Closing Date.
<b>Subscription Price</b>	<p>The NAV per Share calculated with reference to the Valuation Day falling on the Business Day immediately preceding the relevant Subscription Day: it being understood that Fund Shares of any class duly applied for during the Initial Offer Period (and issued as of the first Subscription Day following the relevant Closing Date) as aforesaid, will be so issued at the Initial Offer Price.</p> <p>Fund Shares of any class are priced using single pricing.</p>
<b>Subscription Application Cut Off</b>	12:00 noon (CET) one Business Day prior to the relevant Subscription Day (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Subscription Payment Cut Off</b>	12:00 noon (CET) one Business Days prior to the relevant Subscription Day (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Minimum Initial Investment</b>	USD 125,000 (per applicant and per class) for the Accumulation Share Class (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Minimum Additional Investment</b>	USD 25,000 (per Fund Investor and per class) for the Accumulation Share (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Redemption Day</b>	Any and each Business Day in any calendar week (subject to any suspensions or deferrals of redemptions which may be applicable at the relevant time): it being understood that the Redemption Day for Fund Shares of any class duly applied for in accordance with the Prospectus during the Initial Offer Period shall be processed as of the first Redemption Day following the relevant Closing Date.

<b>Redemption Price</b>	The NAV per Fund Share calculated with reference to the Valuation Day falling on the relevant Redemption Day.  Fund Shares of any class are priced using single pricing.
<b>Redemption Application Cut Off</b>	17:00 (CET):- (i) in the case of a redemption of twenty per cent or less of the NAV of Fund Shares held by a Fund Investor, fourteen (14) Business Days; (ii) in the case of a redemption exceeding twenty per cent but not more than forty per cent of the NAV of Fund Shares held by a Fund Investor, twenty eight (28) Business Days; (iii) in the case of a redemption of more than forty per cent of the NAV of Fund Shares held by a Fund Investor, sixty two (62) Business Days; prior to the relevant Redemption Day (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Minimum Redemption</b>	USD 1000 (per Fund Investor and per class) for the Accumulation Share Class (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Minimum Holding</b>	USD 125,000 for the Accumulation Share Class (without prejudice to the right of the Company to waive the same, in its total discretion).
<b>Switching / Exchange of Shares</b>	It is possible to exchange Fund Shares of any class into Fund Shares of any other class in the Fund or into Investor Shares of any class in another fund (distinct sub-fund) of the Company, and vice-versa, in accordance with and subject to the relevant rules set out in the Prospectus (see in particular the part titled 'Exchange/Switching of Investor Shares' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' thereof) and subject to any applicable fees and charges as set out under the part 'Fees, Charges and Expenses' below.
<b>Distribution Policy</b>	<b>Accumulation Share Class:</b> The Accumulation Share Class consists of accumulation shares and, accordingly, no dividends will normally be paid in respect thereof and the net income of the assets of the Fund attributable to this class will be reflected in the Net Asset Value per Share of such class. The Company however reserves the right to pay dividends on the Accumulation Share Class at any time if the Directors consider that a payment of dividend is appropriate.
<b>Fees, Charges and Expenses</b>	The fees and charges payable by, or deductible out of monies / proceeds due to, applicants and/or Fund Investors in respect of the subscription or redemption of, or the exchange of or into, or other transactions in, Fund Shares of the respective classes, and the fees, charges and expenses payable by and out of the assets of the Fund attributable to Fund Shares of the respective classes are set out under the part titled 'Fees, Charges and Expenses' below.

Detailed rules and procedures relating to the application for and process involved in the subscription, switching/exchange or redemption of Fund Shares, and the pricing thereof, are found in the Prospectus, in particular under the section titled 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' thereof.

The Net Asset Value per Fund Share and the Dealing (Subscription / Redemption) Prices per Fund Share will be available from the Company's registered office or the Administrator as soon as possible following the relevant Dealing Day. These may also be obtained from the website of the Investment Manager: [www.jesmondmizzi.com](http://www.jesmondmizzi.com), and may also be published on other sources from time to time, as provided in the Prospectus.

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## Fees, Charges and Expenses

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### **Fees, charges and expenses payable by the Fund**

#### **Fees payable to the Investment Manager**

##### **Management Fee**

The Investment Manager will receive, for the performance of its investment management services under the Investment Management Agreement, a management fee in the amount of 1.5% per annum of the NAV of the MSB Fund Class 'Z' Accumulation Fund Shares and payable out of the assets of the Fund attributable to such class (such fees shall hereinafter be referred to as the "Fixed Management Fee"). The Fixed Management Fee (as applicable in respect of each class of Fund Shares) will be calculated and accrued for as at each Valuation Day based on the latest available NAV.

In addition, the Investment Manager will also receive, for the performance of its investment management services under the Investment Management Agreement, a fee in an amount equivalent to 0.3% of the (acquisition or disposal) transaction value of each and every asset acquired or disposed of for and on behalf of the Fund, which shall be payable out of the assets of the Fund attributable to the MSB Fund Class 'Z' Accumulation Fund Shares (such fees shall hereinafter be referred to as the "Transaction Management Fees"). The Transaction Management Fees (as applicable in respect of each class of Fund Shares) will also be calculated and accrued for as at each Valuation Day.

The Investment Manager will also receive, for the performance of its risk management services in respect of the Fund, an annual fee of euro five thousand (€5,000) or such lower fee as may be agreed to between the Investment Manager and the Company for any particular year or years (such fee hereinafter referred to as the "Risk Management Fee"), provided that the Investment Manager has agreed to waive such Risk Management Fee for the first two (2) years from the Licence Issue Date. Such Risk Management Fee will be calculated and accrued for as at each Valuation Day.

The Fixed Management Fees, the Transaction Management Fees and the Risk Management Fees (hereinafter referred to as the "Management Fees") will be payable half-yearly in arrears (as at the end of June and December of each year) *pro rata temporis*, within fifteen (15) calendar days following the end of the relevant six months.

The Management Fees shall be exclusive of VAT if any (which VAT, if any, shall be paid in addition to and together with the Management Fees as required by law).

The Management Fees shall be without prejudice to the right of the Investment Manager (in its capacity as an Authorised Distributor of the Fund) to receive and be paid the Subscription Fees payable by investors in respect of the subscription of Fund Shares, as provided below.

The Investment Manager is also entitled to be reimbursed, out of the Fund's assets, for all reasonable out-of-pocket expenses incurred by it in the performance of its duties and services, in terms of and as provided in the Investment Management Agreement, and such expenses may (for the avoidance of doubt) include charges, fees and costs payable to third parties (excluding those payable to third parties appointed by the Investment Manager to assist it in the performance of, or to whom the Investment Manager has delegated, any of its management or marketing or other functions in relation to the Fund).

#### **Fees payable to the Depositary**

The Company shall pay the Depositary, in respect of the Fund, a custody fee of:

<b>Fee</b>	
<b>On the International Securities Component</b>	<b>Annual Fee</b>
On the first EUR 100Mn	0.055%
Above EUR 100Mn	0.050%

<b>On the Local Securities Component</b>	<b>Annual Fee</b>
On the first EUR 50Mn	0.050%
On the next EUR 50Mn	0.045%
Above EUR 100Mn	0.040%
EUR 1,250	<b>Minimum Monthly Fee</b>

1. The annual custody fee shall be based on the gross asset value of the Fund (i.e. the total asset value prior to deduction of fees and costs), and shall accrue on each Valuation Day, as defined in the Prospectus and Articles, and be subject to the Minimum Monthly Fee above mentioned.
2. The Custodian shall also be reimbursed for out-of-pocket expenses reasonably incurred by it and properly documented (by way of receipts, invoices or otherwise), directly or indirectly, in the performance of its services to the Fund, functions or duties under the Depositary Agreement as more specifically set out therein, RVP/DVP settlement fees and all 3rd Party Fees.
3. The annual custody fee or minimum monthly fee as aforementioned, as applicable, shall be payable monthly in arrears, notwithstanding the Net Asset Value of the Fund, until the Fund licence is surrendered or the Depositary Agreement is terminated in accordance with its terms, as applicable.
4. RVP/DVP settlement fee applicable on transactions in "international instruments" executed via 3<sup>rd</sup> Party broker/s which are delivered to the Depositary's sub-custodian for settlement and safekeeping: EUR 20 per daily settlement on a single instrument (excluding stamp duty, central depositary and clearing fees, registrar's fees, and other 3rd party fees, where applicable).
5. RVP/DVP settlement fee applicable on transactions in local instruments executed via 3rd party broker/s which are delivered to the Depositary's sub-custodian's MSE CSD Account, for settlement and safekeeping: EUR 10 per transaction settlement (excluding stamp duty, central depositary and clearing fees, registrar's fees, and similar 3rd party fees, where applicable).
6. Sub-custodian fees charged by the Depositary's sub-custodian, shall be borne by the Depositary.
7. All fees quoted exclude VAT, where applicable.

### **Fees payable to the Administrator**

The Administrator will receive, for the performance of its administration services under the Administration Agreement, as from the date of the first issue of any Fund Shares, an annual administration fee ("Administration Fee") charged on the NAV of the Fund and payable out of the assets of the Fund, in accordance with the following schedule, subject to a minimum Administration Fee of €20,000 per annum for the Fund:-

<b>Net Asset Value of the Fund</b>	<b>Administration Fee (as a percentage of NAV)</b>
The first €10 million	0.125% p.a.
The next €20 million	0.100% p.a.
The next €20 million	0.080% p.a.
Any amounts in excess of €50 million	0.065% p.a.

Such Administration Fee will be payable quarterly in arrears within fifteen (15) days following the end of the relevant quarter.

The Administrator is also entitled to receive, out of the assets of the Fund, in addition to the Administration Fee (unless otherwise agreed with the Company) €1,000 per annum in respect of the preparation of the financial statements of the Fund, as well as the Fund's share / portion (together with other sub-funds of the Company established from time to time, and according to the attribution rules prescribed herein and in the Prospectus) of the fee charged by the Administrator in respect of the preparation of the financial statements of the Company (which is currently agreed at €2,500 per annum).

The Administrator shall also be reimbursed for any out-of-pocket expenses which may be incurred by it as a result of IFRS 7 disclosures dealing with financial instruments in relation to risk as well as IFRS 9 disclosures dealing with the classification and measurement of financial assets and liabilities including the new impairment model and for the categorisation of financial instruments in accordance to their nature and characteristics.

The Administrator shall also charge a fee at the then prevailing hourly rates charged by the Administrator in respect of any reporting of financial assets falling under the Level 3 category, in terms of recent reporting requirements (IFRS 13).

The Administrator is also entitled to be reimbursed, out of the Fund's assets, for all reasonable out-of-pocket expenses incurred by it in the performance of its duties and services, in terms of and as provided in the Administration Agreement, excluding charges, fees and costs payable to third parties to whom the Administrator has delegated any of its functions under the Administration Agreement.

As at the date hereof, the Administrator also provides company secretarial services to the Company for an annual fee of euro seven thousand (€7,000), which fee shall cover five (5) meetings of the board of directors and one (1) general meeting. Any board meetings or general meetings held in excess of the aforementioned, shall be charged at seven hundred and fifty Euro (€750) per board meeting and one thousand five hundred Euro (€1500) per general meeting.

As at the date hereof, the Administrator also provides anti-money laundering support services to the Company. The Administrator shall also charge the Company an annual fee of euro three thousand five hundred (€3,500). The Fund shall also be charged an additional one time fee at the rate of euro fifty (€50) for every new investor in the Fund.

The Administrator also provides services with respect to the ongoing reporting for FATCA and CRS purposes. A one time fee of one hundred and fifty Euro (€150) shall be paid to the Administrator for GIIN registration and a minimum fee of one thousand Euro (€1,000) per annum shall be paid for FATCA and CRS reporting. In the event that such services exceed five (5) hours, the Administrator shall be paid at the then prevalent hourly rate for time spent over the said five (5) hours over and above the aforementioned minimum fee.

The Administrator also provides services with respect to the reporting and filing of statistical reports that may be required to be carried out by the Company by the Central Bank of Malta in terms of the European Central Bank regulation 2013/38. A fee of three hundred and fifty Euro (€350) and/or of eight hundred and fifty Euro (€850) per annum per Fund, depending on the classification applied by the Central Bank of Malta shall be payable to the Administrator in connection with such services.

The Administrator shall also charge the Company five hundred and twenty Euro (€520) to update data on Lipper – a fund research tool.

Fees charged by the Administrator to the Company shall be allocated to and borne by the Fund and other sub-funds of the Company from time to time in the proportions established in the Prospectus under the sub-heading 'Allocation of General Expenses and Liabilities between the Funds' under the heading 'Fees, Charges and Expenses'.

Should the Fund go into liquidation the Administrator shall also be entitled to be paid separately for any services provided in connection therewith.

All the above-mentioned fees shall be exclusive of VAT if any (which VAT, if any, shall be paid in addition to and together with the said fees as required by law).

### **Other Expenses of the Fund**

The Fund will also be liable to pay out of its assets any and all operating and other expenses and liabilities incurred in connection with or otherwise specifically relating to the Fund, as well as its share / portion of the general expenses and liabilities of the Company which are not specific to any particular distinct sub-fund/s of the Company and its share / portion of the expenses and liabilities of the Company which are specific to more than one distinct sub-fund of the Company including the Fund itself. Reference is made to the section titled 'Fees, Charges and Expenses' of the Prospectus, for further details.

Investments by the Fund in underlying collective investment schemes shall not be subject to entry or exit fees. Any trail fees paid to the Investment Manager relating to the Fund's investments shall accrue in favour of the Fund.

## **Fees and charges payable by, or deductible out of monies / proceeds due to, applicants and/or Fund Investors**

### **Subscription Fees**

A Subscription Fee of up to 3.5% of any subscription monies paid by applicants for subscription of MSB Fund Class 'Z' Accumulation Fund Shares. This fee will be automatically deducted from the subscription monies paid by the relevant applicant. Such fee will be paid to the Investment Manager in its capacity as Authorised Distributor of the Fund and to other Authorised Distributors as may be appointed from time to time.

### **Redemption Fees**

No Redemption Fees will be charged to and payable by Fund Investors in respect of the redemption of MSB Fund Class 'Z' Accumulation Fund Shares.

### **Switching Charges**

No fees and charges will be payable to the Fund by a Fund Investor upon the exchange / switching of Fund Shares of any existing class into Fund Shares of another existing class in the Fund or into Investor Shares of another sub-fund of the Company ("Other Fund") or upon the exchange / switching by an Investor of Investor Shares of an Other Fund into Fund Shares of any class in the Fund, without prejudice to any switching fees and charges which may be payable to the Other Fund in terms of the respective offering supplement.

### **Dilution Levy**

As provided in the Prospectus, the Directors have the discretion to charge a Dilution Levy on the creation, sale, redemption or repurchase of Fund Shares (including switching / exchange from Fund Shares of any class into any other class of Investor Shares in the Company and vice-versa), with a view to protect existing and potential Fund Investors' interests, and in order to prevent or mitigate the dilution effect on the value of the Fund brought about by high levels of buying and selling by investors in Fund Shares and the consequent increase in the underlying dealing costs borne by the Fund. When charged, the Dilution Levy will be paid into the Fund in order to mitigate the effect of the dilution.

The Directors may in particular impose a Dilution Levy on any Dealing Day of the Fund in circumstances where:

- the Fund experiences large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- the Fund experiences large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- the Directors believe that the imposition of a Dilution Levy is required to safeguard the interests of existing Fund Investors and potential Fund Investors.

For these purposes the term "large levels" of net purchases or net redemptions occurs when the net dealing position would create a Dilution Levy of more than 1 basis point (0.01%) of the NAV of the Fund. The Directors are also entitled to impose a Dilution Levy on a redemption which accounts for more than 5% of the value of the Fund. As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to predict accurately whether dilution will occur at any future point in time. In deciding whether to impose a Dilution Levy the Directors will consider a number of factors including the size of the transaction relative to the overall value of the Fund, the level of transaction costs within that particular market, the liquidity of the underlying investments within the Fund, the amount of investments to be bought/sold and the likely time that this will take, the likelihood of an adverse impact on the value of investments as a result of the accelerated rate of disposal/acquisition and the length of time for which the Fund Shares in question were held. On the occasions when a Dilution Levy is not applied there may be an adverse impact on the total assets of the Fund, as the Fund will have to meet the costs of dealing in the underlying assets.

The Dilution Levy for the Fund may vary over time because the Dilution Levy will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, and these can vary with market conditions. A typical Dilution Levy for the Fund may range from 0.01% to 1% of the Fund's share price.

### **Fees and charges applicable in respect of new classes of Shares**

For the avoidance of doubt, the Company may from time to time create and issue a new class/es of Fund Shares in the Fund and apply thereto no fees or different fees than those mentioned above and payable to

Service Providers out of the assets of the Fund attributable to such new class/es or no fees and charges or different fees and charges than those mentioned above and payable by applicants or Fund Investors in respect of such new class/es, and such creation and issue of new class/es with such different or no fees and charges shall, for all intents and purposes of law and the Articles, the Prospectus and this Offering Supplement, be deemed not to constitute a change or variation of the rights attaching to the then existing class/es of Shares in the Fund.

### **Additional information for qualified investors in Switzerland**

Distribution in Switzerland is permitted to qualified investors only pursuant to paragraph 10 of the Swiss Collective Investment Schemes Act (CISA).

#### **Swiss representative**

The representative in Switzerland is LLB Swiss Investment AG, Claridenstrasse 20, 8002 Zürich, Switzerland.

#### **Paying agent**

The paying agent in Switzerland is Swissquote Bank SA, Chemin de la Crétaux 33, 1196 Gland, Switzerland.

#### **Place where the relevant documents may be obtained**

The Prospectus, the Fund Offering Supplement and the Key Investor Information Document, as well as the annual and semi-annual reports may be obtained free of charge from the Swiss representative in Switzerland.

#### **Payment of retrocessions and rebates**

The Investor Manager and its agents may pay retrocessions as remuneration for distribution activity in respect of the Fund Shares in or from Switzerland. This remuneration may be deemed payment for any services which aim to sell the Fund Shares in particular organization of roadshows, participation in fairs and other events, preparation of marketing material, training of sales partners, etc.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

In the case of distribution activity in or from Switzerland, the Investment Manager and its agents may, upon request, pay rebates directly to Investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that:-

- (i) they are paid from fees received by the Fund Management Company and therefore do not represent an additional charge on the Fund assets;
- (ii) they are granted on the basis of objective criteria;
- (iii) all Investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent;
- (iv) the objective criteria for the granting of rebates by the Investment Manager are as follows:
  - (a) the volume subscribed by the Investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
  - (b) the amount of the fees generated by the Investor;
  - (c) the investment behavior shown by the Investor (e.g. expected investment period);
  - (d) the Investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the Investor, the Investment Manager must disclose the amounts of such rebates free of charge.

#### **Place of performance and jurisdiction**

The place of performance and jurisdiction with respect to the distribution of the Fund Shares in and from Switzerland shall be the place of the registered office of the Swiss Representative.



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## Additional Conditions

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Notwithstanding anything to the contrary in the Prospectus or elsewhere, the Directors and the Investment Manager undertake in relation to the Fund:

- (a) Redemption proceeds due to an Investor from the Fund will be paid out as soon as practicable after final calculation of the Net Asset Value per Share as of the relevant Valuation Day; provided however that, without prejudice to the power of the Directors to suspend or defer redemptions and/or the payment of redemption proceeds as contemplated and in the instances set out in the Prospectus and/or herein, if payment in full cannot be made by the date which is five (5) Business Days after the applicable Redemption Day (the "**Payment Date**") for any reason (including that the final calculation of the Net Asset Value per Share as of the relevant Valuation Day has not been completed, certain assets of the Fund have not yet been liquidated, the Fund's liabilities cannot be fully assessed or otherwise) then the Fund shall promptly pay the redemption proceeds to the fullest extent possible (after the establishment of any reserve for contingent liabilities contemplated by the Prospectus) and shall use reasonable efforts to permit the payment of the remainder of the redemption proceeds as soon as possible thereafter;
- (b) In the event that certain assets have not been liquidated by the Payment Date because the liquidation of assets of the Fund cannot be effected normally or would be to the detriment of the Fund generally, the Investment Manager shall provide notice to the redeeming Investor (which notice shall contain sufficient information in order for the Investor to assess the illiquidity of assets and/or the conditions under which their liquidation would be conducted). The Investment Manager shall use reasonable efforts to continue the liquidation thereafter. For the purposes of this paragraph, the assets deemed illiquid shall include, in addition to the assets the liquidation of which cannot be effected normally or would be to the detriment of the Fund generally, any and all cash needed for collateral and margin calls as required to support the illiquid assets, as well as any instrument which, without being necessarily illiquid, settles at a pre-determined date in the future;
- (c) The Company will not suspend the calculation of the Net Asset Value, the redemption of Fund Shares or payment of redemption proceeds attributable to the Fund Shares being redeemed other than in the following circumstances:
  - (i) during any period when any market in which the Fund (directly or indirectly) invests a significant portion of its assets is closed (other than holiday or customary weekend closings), or in which trading thereon is restricted or suspended; or
  - (ii) during the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency or is otherwise outside the control of the Company as a result of which disposal or valuation of assets of the Fund is restricted, or is not reasonably practicable or would be seriously prejudicial to the Fund or holders of Investor Shares therein; or
  - (iii) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund or the current price or values on any stock exchange, or during any period when for any reason the prices or values of investments of the Fund cannot be reasonably, promptly or accurately ascertained; or
  - (iv) if there is a delay in or restriction on the repatriation or receipt or remittance of monies involved in the realisation or acquisition of the Fund's investments or of funds needed to satisfy redemption requests, or other restrictions (including exchange restrictions) affecting the transfer of funds which render transactions on behalf of the Company (on account of the relevant Fund) impracticable; or
  - (v) if repatriation, receipt or remittance of funds involved in the realisation or acquisition of the Fund's investments or involved in subscription or redemption of Investor Shares cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
  - (vi) during any period when the proceeds of sale or redemption of Investor Shares in the Fund cannot be transmitted to or from the relevant account held for the Fund for any other reason whatsoever; or
  - (vii) following any decision to dissolve and liquidate the Company or the Fund, or following any notice for convening a general meeting of the Company or a meeting of any class/es of Shares of the Fund or an application made to the competent court to decide on such dissolution and liquidation; or
  - (viii) following any decision to effect a total redemption of all the Investor Shares in the Fund and to subsequently close the Fund and/or a total redemption of all the Investor Shares of a particular class/es in the Fund (provided that such suspension shall not be for a period longer than twenty (20) Business Days before the chosen Redemption Day).

**ANNEX I**

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

**Product name:** Merrill Strategic Balanced Fund

**Legal entity identifier:** 254900DE63P67P8HVC67

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

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



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

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

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

The Fund promotes climate change mitigation. The Fund also seeks to avoid investments in certain activities with the potential to cause harm to human health and wellbeing by applying exclusions. The Fund does not use a reference benchmark to attain its environmental or social characteristics.

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

- Carbon – Total Carbon Intensity Scope 1&2 &3 - This represents the Company's most recently reported or estimated Scope 1 + Scope 2+ Scope 3 greenhouse gas emissions normalized by sales, which allows for comparison between companies of different sizes. Water Usage which represents the average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies and Water Recycling which represents the weighted average percentage of water recycled and reused by investee companies
- Overall UNGC Compliance Status

- ESG Exclusionary screens - see "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?" below for details on the exclusions

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

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

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

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



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

No



Yes - All mandatory principal adverse impacts on sustainability factors (PAIs) are considered within an ESG scoring model provided by a third party provider, which also considers and includes in the ESG score of an investee company or issuer, the two voluntary PAIs chosen by the Fund due to their alignment with the Fund's objectives, which are the water usage and recycling for companies and average human rights performance for sovereigns. These factors are evaluated holistically by the third party service provider, and the ESG score provided by the said platform on the basis of the aforementioned PAIs, influences the overall sustainability assessment of each investee company or issuer. Investments falling inside the investable universe, are then further assessed on the basis of specific PAIs which are most material to the Fund's investment strategy and areas of expertise. As at the date of this Offering Supplement, the Fund considers the following PAIs:-

	Name	Description	How is PAI Considered?
COMPANIES			
Environmental			
CARBON_EMISSIONS	M1 - Total GHG emissions	Company's carbon emissions (Scope 1 + 2 + 3) multiplied by the % of the company owned (calculated based on the enterprise value). It is considered a 1M Euro invested in the company for the calculation of this PAI	Exclusionary screens
WATER_USAGE	O6.1 - Water usage	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	Exclusionary screens
WATER_RECYCLING	O6.2 - Water recycling	Weighted average percentage of water recycled and reused by investee companies	Exclusionary screens
Social			
UNGC_OECDGME_VIOLATIONS	M10 - Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	<p>At company level: Has the company been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises?</p> <p>At portfolio level: Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p> <p>Notes: 1. A "yes" value at company level indicates that such company has been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. 2. The aggregation of this PAI is carried out by the sum of "yes" values.</p>	Exclusionary screens

GOVERNMENTS			
Social			
HUMAN_RIGHTS_SOVEREIGNS	O20 - Average human rights performance	Measure of the degree of respect for workers' rights using five domains: civil liberties, the right to establish or join unions, trade union activities, the right to collective bargaining and the right to strike.	Exclusionary screens

Companies that rank above the 50th percentile and/or those that score higher than others in the same industry sector, are preferred. For further details please see the Fund's SFDR website disclosures link which can be found below in the section titled "Where can I find more product specific information online?".

The Fund will make information available on how it has considered all PAIs in its periodic report.



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

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

The Fund aims to achieve long-term growth from a diversified portfolio of investments. The fund has no reference to a specific benchmark.

The binding elements of the investment strategy described below are implemented as exclusionary screens which are included in the compliance module of the Company's order management system utilising third-party data provider(s) on an ongoing basis. (More product-specific information can be found on the website. In this respect refer to hyperlink in the section titled "Where can I find more product specific information online?"). The exclusionary screens are implemented on both a pre and post - trade basis enabling the Company to block any proposed transactions in an excluded security and identify any changes to the status of holdings when third-party data is periodically updated.

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

The Company uses an ESG scoring provided by its third party data providers (for more information on such service providers, please refer to hyperlink in the section titled "Where can I find more product specific information online?") which takes into account the E & S & G individually and also the average of the 3 in order to achieve the promoted characteristics. The Company applies pre-agreed thresholds set by the ESG Committee. An overall ESG score of 50 (out of a 100) or better is considered as part of the inclusion list i.e. will be part of the investable universe. The Company may only invest in companies that would be excluded by the screens described above if, based on its own research and if approved by its ESG Committee, it believes that the investment is appropriate for the Fund. Classification of issuers is primarily based on activity identification fields supplied by the Company's third-party ESG data providers. This classification is subject to an investment research override in cases where sufficient evidence exists that the third-party data field is not accurate or appropriate. Companies that fall inside the investable universe, are then assessed on the basis of specific PAIs chosen by the Company on the basis of the Fund's investment strategy and areas of expertise (please see heading 'Does this financial product consider principal adverse impacts on sustainability factors' for further information on any specific PAIs being assessed by the Fund). Companies that rank above the 50th percentile and/or those that score higher than others in the same industry sector, are preferred.

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

There is no committed minimum rate.

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

The companies in which investments are made are assessed by the Company on the basis of their good governance practices. The good governance practices of investee companies are assessed prior to making an investment and periodically thereafter in accordance with the Company's Sustainability Risk Policy ("Policy"). The Policy sets minimum standards against which investee companies will be assessed and monitored by the Company prior to making an investment, and on an ongoing basis. Such standards may include, but are not limited to: Accounting and Audit, Board Composition, Board Functioning, and Compensation.

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



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

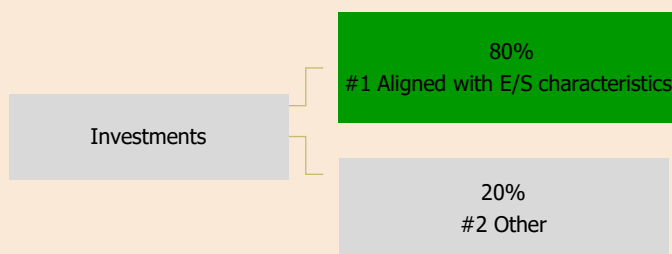
A minimum of 80% of the investments of the Fund are used to meet the environmental or social characteristics promoted by the Fund.

Other assets, that are not used to meet the environmental or social characteristics, may include cash or cash equivalents, investments in sovereign issuers, securitised assets, derivatives for efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers.

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

Taxonomy-aligned activities are expressed as a share of:

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



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The Fund uses derivatives to gain exposure to issuers that remain in the investment universe following the application of the exclusionary criteria described in the Fund's response to the question, "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

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

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

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



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

Not Applicable

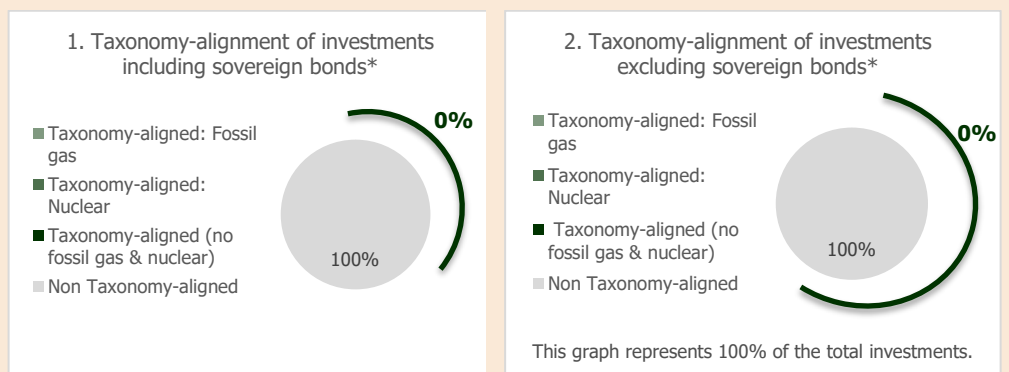
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas  In nuclear energy

No

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



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

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

Not applicable



**What is the minimum share of sustainable investments with an environmental objective that do not take into account the criteria for**

Not applicable



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

Not applicable

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

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



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

Other assets may include cash or cash equivalents, investments in sovereign issuers, securitised assets, derivatives for the purposes of efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers. No minimum environmental or social safeguards are applied to such investments



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

Not applicable

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

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



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

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

<https://www.merillfunds.com/en/literature/litature/bycategory/9/name/asc/10/1/status-under-the-eu-sustainable-finance-disclosure-regulation-sfdr--.htm>



