

QNB Global Funds ICAV

QNB MENA Debt Fund

[16 July] 2021

(A sub-fund of QNB Global Funds ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds under the laws of Ireland and authorised by the Central Bank pursuant to the UCITS Regulations).

This Supplement (the “Supplement”) forms part of the Prospectus dated [16 July] 2021 (the “Prospectus”) in relation to QNB Global Funds ICAV (the “ICAV”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the QNB MENA Debt Fund (the “Sub-Fund”) which is a separate sub-fund of the ICAV, represented by the QNB MENA Debt Fund series of shares in the ICAV (the “Shares”).

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.

The ICAV and the Directors, as listed in the “*Management*” section of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the ICAV and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The ICAV and the Directors accept responsibility accordingly.

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

Base Currency	US Dollar
Benchmark Index	FTSE Middle East and North Africa Broad Bond Index Excluding Israel (MENABBI Ex. Israel)
Business Day	Any day, other than Saturday or Sunday, in which both securities markets as well as banks in Ireland are open for business
Calculation Day	One Business Day (D+1 day) following each Dealing Day
Dealing Deadline	For subscriptions and redemptions, 8:00 am (Irish time) on each Dealing Day
Dealing Day	Each Business Day
Distribution Policy	Distributing
ISIN	IE00BD3GFR79
Minimum Initial Subscription Amount	USD 1,500
Minimum Subsequent Subscription Amount	USD 1,500 or such other amount as may be determined by the Directors from time to time and notified to Shareholders
Minimum Redemption Amount	USD 1,500, or such other amount date as may be determined by the Directors from time to time and notified to Shareholders
Settlement Deadline	For subscriptions, appropriate cleared subscription monies must be received by 8:00 am (Irish time) on the second Business Day after the Dealing Day, or such later date as may be determined by the Directors and notified to Shareholders from time to time
Share Classes	A Class
Valuation Point	2 pm (Irish time) on each Business Day (including a Dealing Day)

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective. The objective of the Sub-Fund is to generate income with some prospect of capital gains over the medium term by investing in a diversified range of bonds

Investment Policy. The Sub-Fund is actively managed and will seek to outperform the Benchmark Index by investing primarily in a diversified range of bonds with either a fixed or floating rate of interest, listed or traded on global Recognised Markets and issued by (i) governments, government related entities and corporations in the Middle East and North Africa (“**MENA**”) and Turkey; and/or (ii) by corporations which derive a significant proportion of their revenues or profits from, or have a significant portion of their assets in MENA countries or Turkey; and/or (iii) by entities in any other geographic area provided that the entity must be controlled by any such MENA or Turkey based entities. Up to 10% of the Net Asset Value of the Sub-Fund may be invested in the bonds of issuers in Turkey.

The Sub-Fund may also invest up to 10% of its Net Asset Value in bonds issued by governments, government related entities and corporations which are listed or traded on Recognised Markets outside MENA and Turkey. The Sub-Fund will invest in bonds in accordance with the limits set out in the UCITS Regulations and at least 60% of the Net Asset Value of the Sub-Fund will be invested in bonds issued by entities with an investment grade rating from at least one recognized rating agency.

Allocations will be based on fundamental research and will be a blend of a bottom-up analytical approach with a top-down macroeconomic overlay in order to identify companies with the best ability to meet their payment obligations in respect of the bonds that they issue. The bottom-up approach is based on fundamental analysis of companies on a case-by-case basis by the Investment Manager’s research team.

The Investment Manager’s process of fundamental analysis of individual issuers includes, but is not limited to an analysis of its, financial strength, competitiveness, profitability, growth prospects (such as future business expansion and sources of income) and quality of management. Moreover, the Investment Manager engages in meetings with issuing companies in order to remain fully aware of the activities of the companies. At the same time, the Investment Manager’s “top down” approach involves forming a macroeconomic view about the MENA region, Turkey and other markets, taking into account economic, political and any other relevant factor that could influence the regional economic indicators (level of interest rates, currencies, inflation, economic growth etc.). The Investment Manager’s top-down approach will drive the weighting of geographical allocation as well industrial sectors. This approach remains independent from the individual performance of the issuer and it is focused on macroeconomic and political factors at industry, sovereign and regional levels.

The Sub-Fund may hold ancillary liquid assets (such as deposits; commercial paper or other short-term fixed income instruments) and short term commercial paper; and up to 10% of its Net Asset Value in units in UCITS or eligible exchange traded funds (ETFs) in accordance with the UCITS Regulations. All investments will be made in accordance with local investment restrictions.

The Sub-Fund will not use financial derivative instruments and accordingly will not be leveraged. The Sub-Fund will also not enter into repurchase, reverse repurchase or stock lending agreements in respect of its assets.

Benchmark Index

The Benchmark Index measures the performance of both investment-grade and high-yield USD denominated debt issued by governments, agencies, and corporations domiciled in the Middle East and North Africa, excluding issuers domiciled in Israel.

Further information on the Benchmark Index (including its construction methodology) can be found at https://www.yieldbook.com/x/ixFactSheet/factsheet_quarterly_mena_x.pdf.

Sustainable Finance

The Sub-Fund's investment policy and the nature of the assets in which it invests means that the Investment Manager will not generally take Sustainability Risks into account in making investment decisions. Investors should refer to the "*Sustainable Finance*" and "*Sustainability Risks*" section of the Prospectus for further details with respect to Sustainability Risks for the Sub-Fund.

INVESTMENT RISKS

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the "*Risk Information*" section of the Prospectus. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares. **As the Sub-Fund has material exposure to MENA countries and Turkey; an investment in the Sub-Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

MENA countries and Turkey Risk. Investment in MENA and Turkish markets may subject the Sub-Fund to a greater risk of loss than investment in developed markets. This is due to, among other things:

- greater market volatility;
- lower trading volume and liquidity issues;
- limited securities markets;
- restrictions on purchases and re-sale of securities by foreign investors;
- the imposition of currency or capital controls or the expropriation or nationalisation of assets
- political, social and economic instability;
- economic dependence on a few industries or on international trade or revenue from particular commodities;
- high levels of inflation, deflation or currency devaluation;
- regulatory, financial reporting, accounting and disclosure standards that may be less stringent than those of developed markets;
- settlement and custodial systems that are not as well-developed as those in developed markets that may cause delays in settlement and possible "failed settlements";
- potential difficulty, expense or delay in enforcing legal rights, particularly against governments;
- precarious financial stability of issuers (including governments);
- uncertainty and unexpected variations in the application of tax rules;
- greater risk of market shut down; and
- more governmental limitations on foreign investment policy than those typically found in a developed market.

The foregoing factors may cause the Sub-Fund's investments to be more volatile than if the Sub-Fund invested in more developed markets and may cause the Sub-Fund to realise losses. This risk of increased volatility and losses may be magnified by currency fluctuations relative to the Base Currency.

Unhedged Exposure Risk. The Sub-Fund will not hedge its local currency risk. The assets of the Sub-Fund will generally be invested in securities denominated US Dollars (USD). The

Sub-Fund may also invest in the local currencies of the relevant market (“**Market Currencies**”) and any income or capital received by the Sub-Fund from these investments will, likewise, be received in a Market Currency. As Shares in the Sub-Fund are denominated in USD, changes in currency exchange rates between a Market Currency and USD may affect the value of the Shares. As the currency exchange rates of emerging market countries, such as those listed in the above section headed “Investment Policy”, tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in the Sub-Fund may be more pronounced than it would be for funds which invest in more developed markets.

Furthermore, the Sub-Fund will accept subscriptions and pay distributions and redemption proceeds, in USD, while it invests in Market Currency and will therefore incur costs in connection with conversions between these currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they buy and sell various currencies. Thus, a dealer normally will offer to sell currency to the ICAV at one rate, while offering a lesser rate of exchange should the ICAV wish immediately to resell that currency to the dealer. Due to the relatively high volatility of certain Market Currencies, the spread between a dealer’s sell and offer prices for Market Currency may be greater than that for the currencies of more developed economies, which may result in relatively high currency exchange costs for the Sub-Fund. The ICAV will conduct its currency exchange transactions on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market. It is anticipated that most of the Sub-Fund’s currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Sub-Fund

Credit Risk. The Sub-Fund will be exposed to a credit risk in relation to the issuers of bonds in which the Sub-Fund invests or counterparties with whom the ICAV on behalf of the Sub-Fund transacts and the Sub-Fund may bear the risk of counterparty default.

INVESTOR PROFILE

The Sub-Fund may be suitable for investors who seek income with some prospect of capital appreciation over the medium-term, have a reasonably high risk tolerance and can withstand volatility in the value of their investment.

SUBSCRIPTIONS

Shares, denominated in USD, are available in the Sub-Fund.

Shares will be issued in respect of each Dealing Day at the Net Asset Value per Share calculated on the applicable Calculation Day, with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Investors may subscribe for Shares for cash on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out below and in the “*Purchase and Sale Information*” section of the Prospectus. Consideration, in the form of cleared subscription monies, must be received by the applicable Settlement Deadline.

REDEMPTIONS

Shareholders may effect a redemption of Shares on any Dealing Day at the NAV of the applicable Calculation Day, subject to an appropriate provision for Duties and Charges, provided that a written redemption request is signed by the Shareholder and received by the Administrator by the Dealing Deadline, in accordance with the provisions set out in this section and at the “*Purchase and Sale Information*” section of the Prospectus. Settlement will normally take place within two Business Days of the Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than four Business Days from the Dealing Deadline.

Shareholders should note that: (i) any redemption request which would result in a Shareholder holding Shares with a value of less than the Minimum Redemption Amount; and

(ii) any redemption request submitted by a Shareholder which holds Shares with a value of less than the Minimum Redemption Amount may, at the discretion of the Directors, upon consultation with the Manager, be treated as a request to redeem all of that Shareholder's Shares.

DISTRIBUTION POLICY

The Sub Fund may distribute dividends and if distributed will be made twice yearly (in May / November each year) or as otherwise determined by the Directors. Dividend distributions are not guaranteed as they are subject to the Sub-Fund receiving income. The Directors may distribute such part of any net income from coupons received from bonds, but not from capital gains which will be reinvested. Any dividend distribution lowers the value of the Shares in the Fund by the amount of distribution.

Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically, without the necessity for any declaration or other action by the ICAV.

For information on the potential tax implications of any distribution, please refer to the '*Tax Information*' section of the Prospectus.

FEES AND EXPENSES

Total Expense Ratio (TER). The TER for the Sub-Fund will be up to 1.20% per annum of the Net Asset Value.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the net assets of the Sub-Fund an annual fee not exceeding 0.75% of the Net Asset Value of the Sub-Fund (the "**Investment Management Fee**") in respect of its investment management services. The Investment Management Fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears. The Investment Manager may at its discretion waive the whole or any part of its Investment Management Fee. Reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties may be reimbursed by the Sub-Fund.

For the avoidance of doubt, the Investment Management Fee will be included within the TER.

Further information in this respect is set out in the "*Fees and Expenses*" section of the Prospectus.