QNB Global Funds ICAV

QNB REIT Fund

13 December 2019

(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 13 December 2019 (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 REIT Fund (the “Sub-Fund”) which is a separate sub-fund of the ICAV, represented by the QNB REIT 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
Business Day	Any day, other than Saturday or Sunday, in which the securities markets and banks are open for business in Ireland
Dealing Deadline	For subscriptions and redemptions, 12:00 Noon (Irish time) on each Dealing Day
Dealing Day	Each Business Day
Distribution Policy	Distributing
ISIN	IE00BF1Y1K22
Minimum Initial Subscription Amount	USD1,000
Minimum Subsequent Subscription Amount	USD1,000, or such other amount as may be determined by the Directors from time to time and notified to Shareholders
Minimum Redemption Amount	USD1,000, 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 12:00 Noon (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	Class A
Valuation Point	11 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 provide exposure to the growth potential of global real estate markets by investing primarily in Real Estate Investments Trusts ("**REITs**") and other real estate related businesses.

Investment Policy. The Sub-Fund will primarily be invested in REITs and other real estate related equities (such as real estate developers, real estate owners, construction contractors and construction materials producers) listed on Recognised Markets globally including without limit in emerging markets. The Sub-Fund will be actively managed in order to maximize investment value for the Sub-Fund by seeking consistent income and growth in the medium to long term.

Investment decisions will be based on bottom up fundamental research along with top-down macroeconomic analysis in order to identify REITs and other real estate related businesses with a medium to long term growth potential. The bottom-up approach is based on fundamental analysis of listed companies by the Investment Manager's research team. The bottom-up perspective considers but is not limited to a company's revenues, expenses, profitability, financial position, quality of its portfolio holdings, future growth prospects and the quality of management (in terms of the understanding of the business and capacity to oversee risk and adverse situations as well as lead to expansion and growth in income). The top-down approach involves a macroeconomic view which takes into account economic and other factors that may influence REITs' and other real estate related businesses' performance such as interest rates, currencies, inflation and economic growth.

The investment process has the following structure and it is run monthly:

1. Initial selection – the Investment Manager will select stocks from the global universe of REITs and real estate related equities (as described above) based on quantitative criteria such as price-earnings ratio (which compares a company's stock price to the company's earnings per share), price-to-book ratio (which compares a company's current market price to its book value) and dividend yield;
2. Business analysis – the stocks selected above will be analysed individually to detect if the following three necessary elements are in place: growth potential, reasonable valuation and events that trigger growth potential such as potential acquisitions or an expected change in macro policies; and
3. Risk management – The Investment Manager monitors on an ongoing basis, from the time of investment, losses in the value of individual stocks held by the Sub-Fund.

The Investment Manager may hold a concentrated portfolio of stocks and increase the weighting in defensive instruments including, but not limited to cash and other liquid assets such as deposits; commercial paper or other short-term fixed income instruments and short term commercial paper, should market conditions warrant such a view or if the Investment Manager deems the risk of a market fall to be sufficiently high.

If the Sub-Fund is unable, for any reason, to invest directly in the local market of a particular REIT or real estate related equity at any time, it may take exposure to that stock by investing in global depositary receipts, American depositary receipts and / or equity-linked participation notes ("**P-Notes**") by means of providing indirect exposure to the stock. P-Notes are notes that are unleveraged and the return on such notes is based on the performance of underlying securities. P-Notes may be used by the Sub-Fund to gain exposure to equity securities listed on Recognised Markets in which the Sub-Fund may not invest directly due to regulatory restrictions. Such P-Notes may not embed derivatives or create leverage. There is no limit to investment in such equity-linked P-Notes provided that they constitute transferable securities that are listed or traded on Recognised Markets. The Sub-Fund may invest up to 10% of its net assets in equity-linked participation notes that are not listed on Recognised Markets.

The Investment Manager may also buy total return swaps, futures and options for efficient portfolio management purposes (eg, the Sub-Fund may manage market risk of a security by shorting an index representative of the market relating to that security) and for investment purposes as an alternative way to gain exposure to the securities set out above where it is believed by the Investment Manager to be in the best interests of the Sub-Fund in order to fulfil its investment objective. Total return swaps, futures and options and their use for this purpose are described under "Use of Financial Derivative Instruments" in the "Investment Objectives and Policies" section of the Prospectus.

The securities in which the Sub-Fund invests will be primarily listed or traded on Recognised Markets globally in accordance with the limits set out in the UCITS Regulations. 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 may also enter into repurchase, reverse repurchase and stock lending agreements in relation to its assets subject to the conditions and limits laid down by the Central Bank and solely for efficient portfolio management purposes.

Exposure to Securities Financing Transactions

The Sub-Fund's exposure to total return swaps, repurchase agreements and securities lending transactions is as set out below (in each case as a percentage of Net Asset Value):

	Expected	**Maximum**
Total Return Swaps	20%	50%
Repurchase Agreements	20%	50%
Securities Lending	20%	50%

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 may have material exposure to emerging markets, an investment in the Sub-Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors**.

While the Sub-Fund will be leveraged as a result of its use of FDIs, such leverage will not exceed 100% of the Sub-Fund's Net Asset Value. For information in relation to risks associated with the use of financial derivative instruments, please refer to "*Derivatives Risk"* in the "*Risk Information*" section of the Prospectus.

Industry concentration risk. There is a chance that the stocks of REITs will decline because of adverse developments affecting the real estate industry and real property values. Because the Sub-Fund concentrates its assets in REIT stocks, industry concentration risk is high.

REITs. The Sub-Fund will invest in REITs which are pooled investment vehicles that invest primarily in either real estate or real estate related loans and there are particular risks associated with the direct ownership of real estate by REITs. For example, real estate values may fluctuate as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants and increases in interest rates. As well as changes in the value of their underlying properties, the value of REITs may also be affected by defaults by borrowers or tenants. Furthermore, REITs are dependent on specialised management skills.

Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flows to make distributions to shareholders or unitholders, and may be subject to defaults by borrowers and to self-liquidations. In addition, the performance of a REIT may be adversely affected if it fails to qualify for tax-free pass-through of income under US tax law or if it fails to maintain exemption from registration under the 1940 Act.

The ability to trade REITs in the secondary market can be more limited than other stocks. The liquidity of REITs on the major US stock exchanges is on average less than the typical stock included in, for example, the S&P 500 Index.

Emerging Markets Risk. Investment in emerging markets may subject the Sub-Fund to a greater risk of loss than investment solely 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 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 solely in 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 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 US Dollars (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 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 solely in more developed markets.

Furthermore, the Sub-Fund will accept subscriptions and pay distributions and redemption proceeds, in USD, while it invests in Market Currencies 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.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell. Liquid investments may become illiquid after purchase by the Sub-Fund, particularly during periods of market turmoil. Illiquid investments may be harder to value, especially in changing markets, and if the Sub-Fund is forced to sell these investments to meet redemption requests or for other cash needs, the Sub-Fund may suffer a loss.

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 as at the applicable Valuation Point, 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 Net Asset Value per Share calculated as at the applicable Valuation Point, 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 part of any net income received from its investments and/or the excess of realised and unrealised capital gains less realised and unrealised losses, with the intention of keeping a reasonable balance between the amounts distributed and reinvested. Any dividend distribution lowers the value of the Shares in the Sub-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 2.00% 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 1.50% 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.

Subscription Fee. An initial sales charge of up to 2.00% of the Net Asset Value of the Shares to be subscribed for may be payable in respect of subscriptions for Shares.

Redemption Fee. A redemption charge of up to 0.50% of the Net Asset Value of the Shares to be redeemed may be payable in respect of redemptions of Shares.

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