

QNB Global Funds ICAV

QNB Global Sukuk 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 of Ireland 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 Global Sukuk Fund (the “Sub-Fund”) which is a separate sub-fund of the ICAV, represented by the QNB Global Sukuk 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 Sukuk Index - USD
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	IE00BF18SZ84
Shari'a compliant bank deposit	Shari'a compliant bank deposits are deposits placed with Islamic banks where the return on the deposit is measured as expected profit rate rather than interest
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 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 10:00 am (Irish time) no later than 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
Sukuk	A Shari'a compliant certificate of ownership of an asset or service (also known as an 'Islamic Bond') which is issued by a company holding one or more assets leased to a government or corporate counterparty. Sukuk are freely transferable and represent entitlement to a regular income payment at fixed or variable rates as well as to the payment of a principal sum corresponding to the initial capital investment (which may or not be not guaranteed). An investment in Sukuk therefore has a commercial effect which is comparable with the holding of

	government or corporate bonds
Valuation Point	2:00 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 Sukuk.

Investment Policy. The Sub-Fund is actively managed and will seek to outperform the Benchmark Index by investing primarily in a diversified range of Sukuk with either a fixed or floating rate of income, listed or traded on global Recognised Markets and issued by governments, government-related entities and corporations globally. The Sub-Fund may also invest up to 40% of its net assets in Shari'a-compliant liquid instruments (as set out below in more detail).

The Sub-Fund will invest in Sukuk 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 Sukuk which are issued by governments, government related entities and corporations which have been assigned an investment grade rating by 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 an investment grade credit rating in respect of the Sukuk 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 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 of the financial markets globally, taking into account economic, political and any other relevant factors which could influence global economic indicators (levels 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 performance of any particular individual issuer and it is focused on macroeconomic and political factors at industry, sovereign and regional levels.

The Sub-Fund may, on an ancillary basis, hold Shari'a compliant bank deposits when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. Such Shari'a compliant bank deposits which are placed with investment-grade institutions. Such Shari'a compliant bank deposits will be deemed Shari'a compliant if they are held with Islamic banks where the return on such assets is measured in terms of an expected profit rate rather than as interest income. In exceptional market circumstances (and on a temporary basis only) 100% of the Sub-Fund's net assets may be invested in Shari'a compliant bank deposits, with due regard to the principle of risk spreading. Shari'a compliant bank deposit placements will be made in accordance with the UCITS Regulations. In the event that no Shari'a compliant bank deposit is available, the cash balance of the Sub-Fund will be placed in a non-interest bearing account, in accordance with the UCITS Regulations.

The Sub-Fund may invest up to 10% of its Net Asset Value in the units of other Shari'a-compliant UCITS funds or, where feasible, Shari'a compliant exchange traded funds (ETFs), in accordance with the UCITS Regulations. All investments will be made within the permitted scope of local investment restrictions, regulations, parameters, and the UCITS Regulations.

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.

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.

Benchmark Index

The Benchmark Index measures the performance of both investment-grade and high-yield USD-denominated Sukuk issued by governments, agencies, and corporations globally.

Further information on the Benchmark Index (including its construction methodology) can be found at <https://www.yieldbook.com/m/indices/single.shtml?ticker=SUKUK>.

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. The Sub-Fund does not currently use financial derivative instruments. In the event that the Sub-Fund engages in the use of financial derivative instruments, a risk management process will be submitted in accordance with the requirements of the Central Bank of Ireland. **As the Sub-Fund has 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.**

Emerging Markets Risk – Investment in emerging 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 emerging markets investments to be more volatile than those which the Sub-Fund may make in more developed markets and may result in the realisation of associated 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 US Dollars (USD). The Sub-Fund may also invest in the local currencies of the relevant market ("**Market Currencies**"), such as Malaysian ringgit, Indonesian rupiah, United Arab Emirates dirham, Saudi riyal, Turkish lira, Pakistani rupee, Qatari riyal, Bahraini dinar 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 may also have exposure to Market Currencies, thereby potentially incurring costs in connection with conversions from such 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 re-sell that currency to the dealer. Due to the relatively high volatility of certain emerging market currencies, the spread between a dealer's sell and offer prices for currency (in these instances) may be greater than that for the currencies of more developed economies, which could result in relatively high currency exchange costs for any emerging market component of 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 Sukuk 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.

Sukuk Investment Risk. Price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rates fall. The price changes also depend on the term or residual time to maturity of the Sukuk. In general, Sukuk with shorter terms have fewer price risks than Sukuk with longer terms. However, they generally also have lower returns and, because of the more frequent due dates of these Sukuk, involve higher re-investment costs. Sukuk instruments may be issued by any corporate, sovereign, or supranational entity .

Sovereign Sukuk are issued and/or guaranteed by governments or government-related entities. Investment in sovereign Sukuk issued or guaranteed by governments or their agencies may involve a high degree of risk. The governmental entity that controls the repayment of Sovereign Sukuk may not be able or willing to repay the principal and/or return when due in accordance with the terms of such obligations due to specific factors, including, but not limited to: (i) their foreign reserves; (ii) the amount of foreign exchange currency available as at the date of repayment; (iii) their failure to implement political reforms; and (iv) their policy relating to the International Monetary Fund. Sovereign Sukuk holders may also be affected by additional constraints relating to sovereign issuers, which may include: (i) the unilateral rescheduling of such obligations by the issuer; and (ii) the limited legal recourses available to the issuer (in case of failure of delay in repayment).

A fund investing in Sovereign Sukuk issued by governments or government related entities from countries referred to as emerging or frontier markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economic uncertainties and repatriation restrictions).

Sukuk issued or guaranteed by corporate or supranational entities are also subject to the risk that the obligor is unwilling or unable to make payments according to the terms of the Sukuk. Recourse to the obligor may be limited in such instances depending on the jurisdiction where the Sukuk was issued and the law governing the issuance.

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 four 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 10 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, these will be made twice yearly (in May and November) 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 received from Sukuk, and realised and unrealised capital gains net of realised and unrealised losses. 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 becomes 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.