

## MERRION CAPITAL INVESTMENT FUNDS PLC

(the "Company")

**an open-ended investment company with variable capital incorporated in Ireland with registered number 427248 established as an umbrella fund with segregated liability between Funds.**

### ADDENDUM TO THE PROSPECTUS

8 March 2021

This addendum to the prospectus (the "Addendum") forms part of the prospectus for the Company dated 22 February 2017 (the "Prospectus"). The Company has been authorised by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.

**The information contained in this Addendum should be read in the context of, and together with, the information contained in the Prospectus.**

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

The Directors of the Company, whose names appear on page ii of the Prospectus, accept responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain updates to the Prospectus are required for the purposes of compliance with Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector ("SFDR") and which are included in the amendments set out below.

With effect from the date of this Addendum, the following amendments shall be made to the Prospectus:

#### **The Company**

1. The following additional sub-section is hereby inserted under the section of the Prospectus entitled "The Company", immediately following the sub-section entitled "*Investment Objectives, Policies and Restrictions*":-

#### **Sustainability Risk Integration and Impact on Returns**

*No Specific Consideration of Adverse Impacts*

Whilst environmental, social and governance risks are incorporated into the Company's investment decision making processes, the Company does not currently consider the principal adverse impacts of its investment decisions on sustainability factors within the

meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”), as the relevant information required to appropriately assess the principal adverse impacts of the Company’s investment decisions on sustainability factors, is not yet available.

When the finalised Regulatory Technical Standards, supplementing SFDR are published, and the rules are sufficiently clear, it is the current intention of the Company to comply with the relevant SFDR requirements relating to transparency on the principal adverse impacts of its investment decisions on sustainability factors. The Company will keep its decision to not specifically consider, as a factor in its investment decision making, the principal adverse impacts of its investment decisions on sustainability factors within the meaning of SFDR under review and will formally re-evaluate this decision on an annual basis.

### *Sustainability Risks*

Although, unless otherwise stated in a particular Supplement, the Funds do not promote environmental or social characteristics for the purposes of SFDR, the Company integrates sustainability risks and opportunities into their research, analysis and investment decision-making processes.

Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a material negative impact on the value of a Fund’s investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Sustainability risks, as further described in the “Risk Considerations” section below, are important elements to consider in order to enhance long-term risk adjusted returns for investors and to determine strategy risks and opportunities in respect of the Funds. All of the Funds currently integrate sustainability risk in their investment process, unless otherwise stated in the Supplement issued in respect of a particular Fund. Integration of sustainability risk may vary depending on the Fund’s strategy, assets and/or portfolio composition.

The Company makes use of specific methodologies and databases into which environmental, social, and governance data from external research companies, as well as own research results, are incorporated. Assessment of sustainability risks is complex and may be based on environmental, social or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

To the extent that a sustainability risk occurs, or occurs in a manner that is not anticipated by the Company, there may be a sudden, material negative impact on the value of an investment, and hence on the Net Asset Value of the Funds. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the Net Asset Value of a Fund.

The Company has implemented a Sustainability Risks Policy which sets out the Company’s policies in respect of the integration of sustainability risks in its investment decision-making process.

### *Risk Considerations*

Except where otherwise stated in the Supplement issued in respect of a particular Fund, the Company considers that sustainability risks may be relevant to the returns of the Funds.

Appreciation of sustainability risk is to a degree subjective and there is no guarantee that all investments made by the Funds will reflect beliefs or values of any particular investor on sustainable investments.

A sustainability risk could materialise as the occurrence of an environmental, social or governance event or condition causing material negative impact on the value of one or several investments and thus negatively affecting the returns of the Funds.

Many economic sectors, regions and/or jurisdictions, including those in which the Funds may invest, are currently and/or in the future may be, subject to a general transition to a greener economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organisations and special interest groups.

Sustainability risks can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and thus may materially impact its market price or liquidity.

### **General Risk Factors**

2. A new risk factor entitled "*Sustainability Risk*" is to be inserted into the "*General Risk Factors*" section of the Prospectus, immediately after the risk factor entitled "*Risks Associated with Umbrella Fund Cash Accounts*", as follows:-

#### *Sustainability Risk*

Sustainability risks within the meaning of SFDR are environmental, social or governance events or conditions whose occurrence could cause an actual or potential material negative impact on the value of a Fund's investment. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk), and as a factor, contribute to the materiality of these risk types. The assessment of sustainability risks is complex and often requires subjective judgements, which may be based on data which is difficult to obtain, incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the impact of sustainability risks on a Fund's investments will be correctly assessed.