

MERRION CAPITAL SPECIALIST INVESTMENT FUNDS PLC

(the “Company”)

an open-ended investment company with variable capital incorporated on 20 July 2007 in Ireland with registered number 443536 and established as an umbrella fund with segregated liability between sub-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 December 2014 (the “Prospectus”). The Company is an open-ended umbrella-type investment company with variable capital and segregated liability between sub-funds, authorised as a qualifying investor alternative investment fund under the Central Bank of Ireland’s AIF Rulebook. 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 under the section of the Prospectus entitled “Management and Administration”, accept responsibility for the information contained in this Addendum. The Directors of the Company have taken all reasonable care to ensure that the information contained in this Addendum is in accordance with the facts, is true and accurate in all material respects, and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or of opinion.

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 before the sub-section entitled “General Risk Factors”:-

Sustainability Risk Integration and Impact on Returns

No Specific Consideration of Adverse Impacts

Whilst environmental, social and governance risks are incorporated into the Investment Manager’s investment decision making processes, the Investment Manager 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 Investment Manager’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 Investment Manager to comply with the relevant SFDR requirements relating to transparency on the principal adverse impacts of its investment decisions on sustainability factors. The Investment Manager 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 Investment Manager 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 Funds of the Company 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 Investment Manager 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 Investment Manager, there may be a sudden, material negative impact on the value of an investment, and hence on the Net Asset Value of the Fund. 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 the Fund.

The Investment Manager has implemented a Sustainability Risks Policy which sets out the Investment Manager’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 Investment Manager 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 "*Political and/or Regulatory Risk*", 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.